

FAT CHANCE OIL AND GAS, LLC

May 30, 2001

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RE: Confidentiality of information: Suttons 4-12

Attention:

Fat Chance Oil and Gas, LLC formally requests that submitted information on the Suttons 4-12 be held confidential.

Your cooperation is appreciated.

Sincerely,

Casey Osborn
Operations Manager/Agent

RECEIVED

JUN 04 2001

DIVISION OF
OIL, GAS AND MINING

LIST OF CONTACTS

OPERATOR:

Casey Osborn
Operations Manager
Box 7370
Sheridan, Wyoming 82801
Office: 307-673-1500
Home: 307-673-0842

SURFACE LESSEE:

Bill Hopkin
Ranch Manager
Deseret Land and Livestock
125 Main Ranch Way
Woodruff, Utah 84086
Office: 435-793-4288
Home: 435-793-4558

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. LEASE DESIGNATION AND SERIAL NUMBER: Fee	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC				8. WELL NAME and NUMBER: Suttons 4-12	
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801			PHONE NUMBER: (307) 673-1500		9. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 748' FNL 631' FWL AT PROPOSED PRODUCING ZONE: same				10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 5 miles west of Evanston, Wyoming				11. COUNTY: Rich	12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 631'		15. NUMBER OF ACRES IN LEASE: 52,395		16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 5500'		18. PROPOSED DEPTH: 5,400		19. BOND DESCRIPTION: Utah DOGM Surety #885588C	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6859' GR		21. APPROXIMATE DATE WORK WILL START: 8/1/2001		22. ESTIMATED DURATION: 10 days	

23. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
12 1/4"	9 5/8"	H-40	32.3#	500	Type III	225 sx 1.54 14#
8 3/4"	7"	J-55	26#	5,400	50/50 Poz	350 1.22 14.3#

24. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>Casey Osborn</u>	TITLE <u>Operations Manager/Agent</u>
SIGNATURE <u><i>Casey Osborn</i></u>	DATE <u>5/31/2001</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30058

APPROVAL:

08-15-01
[Signature]
(See Instructions on Reverse Side)

RECEIVED

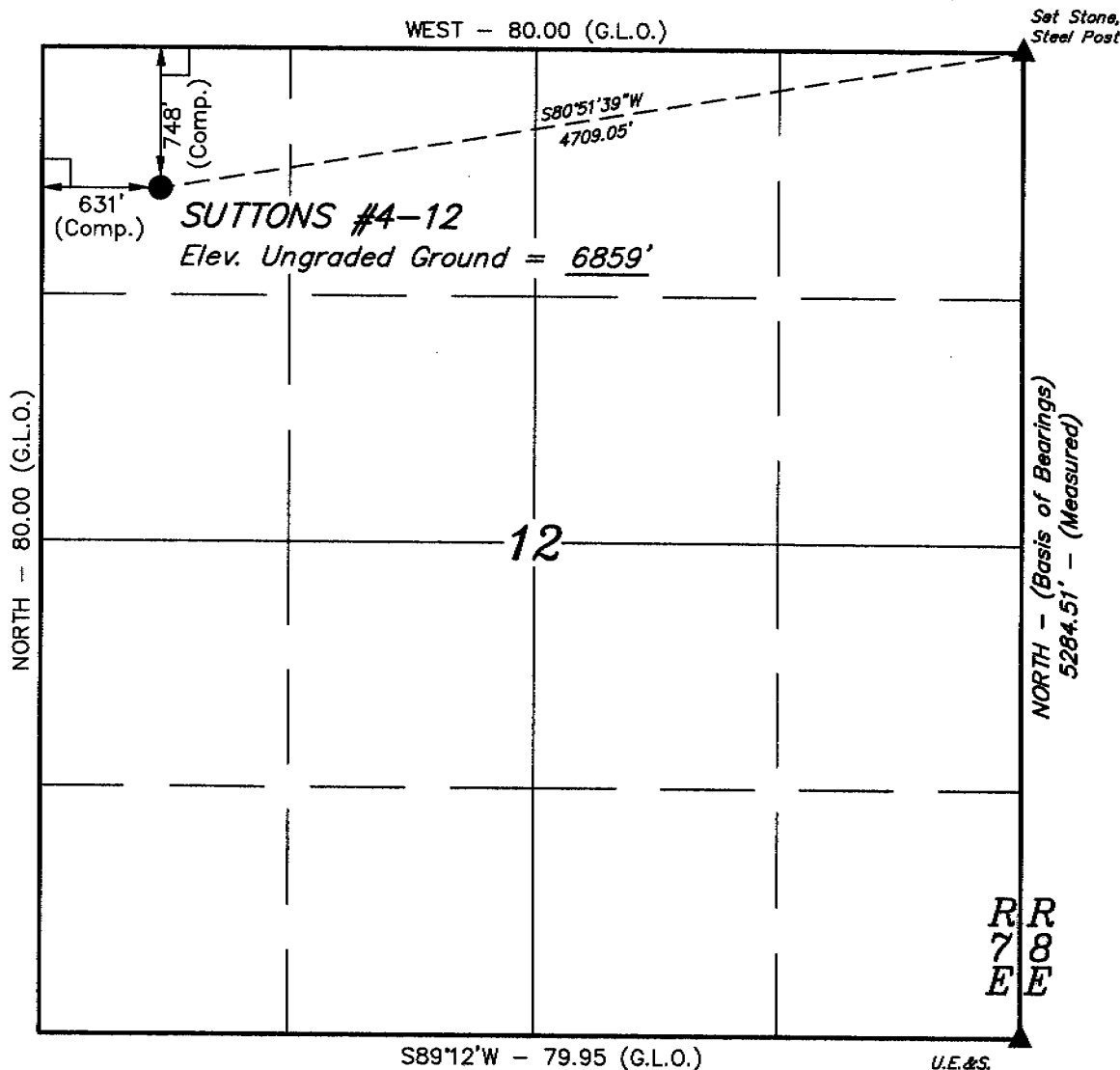
JUN 04 2001

DIVISION OF
OIL, GAS AND MINING

T6N, R7E, S.L.B.&M.

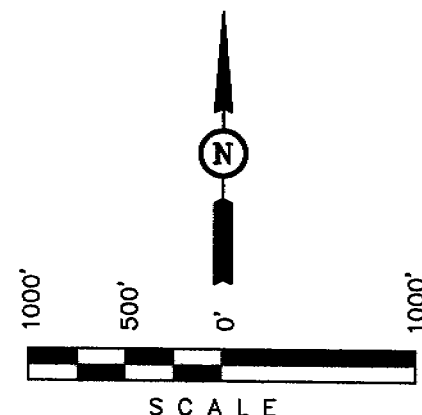
FAT CHANCE OIL & GAS, LLC

Well location, SUTTONS #4-12, located as shown in the NW 1/4 NW 1/4 of Section 12, T6N, R7E, S.L.B.&M., Rich County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 31, T7N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7184 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. May
REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 41°16'27"
LONGITUDE = 111°06'32"

U.E.&S.
1997 Private Alum.
Cap 0.3" High, Steel
Post, Scattered Stones
324872

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 5-14-01	DATE DRAWN: 5-22-01
PARTY C.T. J.H. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE FAT CHANCE OIL & GAS, LLC	

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Suttons 4-12
T6N R7E, Rich County, Utah

1. ESTIMATED TOPS OF GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>	<u>Fluid</u>
Wasatch	Surface – 550'	Potential water sands
Evanston	550'-1590'	Water, Possible Gas
Unconformity	1590'	
Frontier	1600'-3250'	Water, Possible Gas
Aspen	3250'-3650'	None
Bear River	3650'-5345'	Water, Oil, Possible Gas
TD-Kelvin	5400'	

2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS

The objective formation is the Kelvin formation. Operator intends to evaluate shows in the Adaville, Frontier and Bear River intervals. The anticipated tops are listed in section one of the drilling plan.

3. PRESSURE CONTROL EQUIPMENT

Minimum Specifications:

1. 11" 3M BOP stack consisting of an annular preventer, pipe ram, and blind ram.
 2. 2M choke manifold consisting of two adjustable chokes and bleed line.
 3. 2" Kill Line
 4. 2" Choke Line
-

All components of the BOP stack are to be installed and pressure tested before drilling out from under the 9 5/8" surface casing. Rams, manifold and lines are to be tested to both a low pressure of 250 psi and a high pressure equal to the working pressure rating. The annular preventer is to be tested to 70% of the working pressure.

An adequate accumulator system will be utilized to hydraulically operate all components of the BOP equipment.

The surface casing will be pressure tested to 1000 psi.

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC

Suttons 4-12

T6N R7E, Rich County, Utah

The BOP equipment will be tested once every 30 days and whenever a pressure seal is broken.

Operator will adhere to Utah Oil and Gas Conservation General Rule R649-3-7(Well Control).

4. CASING PROGRAM

Surface:

OD: 9 5/8"
Grade: H-40 or greater
Wt: 32.30# or greater
Cement: Cemented to surface with Lite and Tail Cements as required. Centralizers will be utilized to assure proper cement placement.

Production:

OD: 7"
Grade: J-55 or greater
Wt: 26# or greater
Cement: Cemented to cover and isolate all zones of interest with Lite and Tail cements as required. Centralizers will be utilized to assure proper cement placement.

Surface casing will be cemented to surface, thus protecting shallow aquifers and the associated water. All zones of interest will be identified and evaluated. After running production casing, cement will be displaced to cover the shallowest zone of interest. As necessary, stages tools will be utilized if hydrostatic heads are excessive. The casing program will consist of setting 9 5/8" surface casing and 7" production casing.

5. DRILLING FLUID PROGRAM

The drilling fluid will be a lightly treated fresh water native mud. Hole conditions will dictate if additives such as chemicals, gel or weighting materials are added. It is anticipated that occasional gel with LCM and/or polymer sweeps will be required to adequately clean the hole. Mud weight will be maintained at 9.5#/gal or less. Adequate quantities of barite to raise the mud weight to 10.5#/gal will be stored and available on location before drilling out the surface casing cement plug.

Mud pits will be visually monitored. The hole will be filled during trips and kept full at all times unless lost circulation is encountered.

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC

Suttons 4-12

T6N R7E, Rich County, Utah

6. EVALUATION PROGRAM

Coring:

Coring is not anticipated.

Logging:

Two-man logging unit during drilling.

Open hole FDC-CNL-GR logs will be run from TD to surface.

7. ABNORMAL PRESSURES OR TEMPERATURES

No abnormal pressures or temperatures are expected. Maximum anticipated bottom hole pressure is 1950 psi or less. The pressure gradient at any depth is expected to be .43 psi/ft or less.

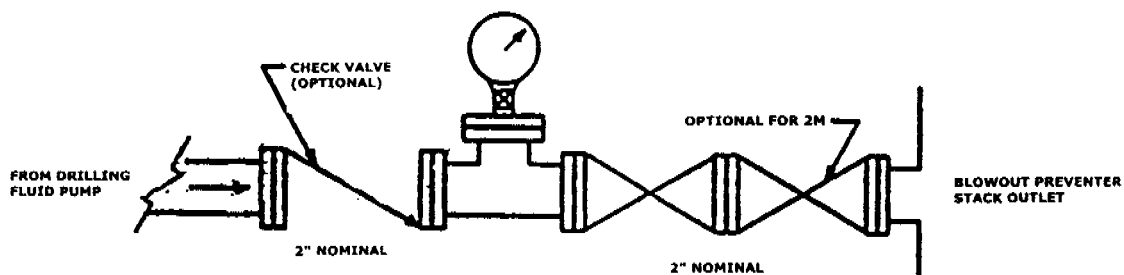
Hydrogen sulfide gas is produced from deeper formations in wells located within close proximity of the proposed well. However, the objective of the proposed well is the Kelvin formation from which no hydrogen sulfide has been encountered nor in any formations above the Kelvin. The presence of hydrogen sulfide in the proposed well is not expected or anticipated.

8. ADDITIONAL INFORMATION

Anticipated spud of the proposed well will be immediately or as soon as practical after State approval.

Fat Chance Oil and Gas, LLC intends to test and evaluate any zone that indicates potential. The testing technique will consist of selectively perforating and flowing each zone of interest. Bridge plugs will be utilized to isolate zones as necessary for independent zone testing. Testing will be accordance with Utah Oil and Gas rule R649-3-19(Well Testing) and results will be submitted in writing to the Division of Oil, Gas and Mining.

KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC



THREADED CONNECTIONS OPTIONAL FOR 2M RATED WORKING PRESSURE SERVICE

FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service - surface installation.

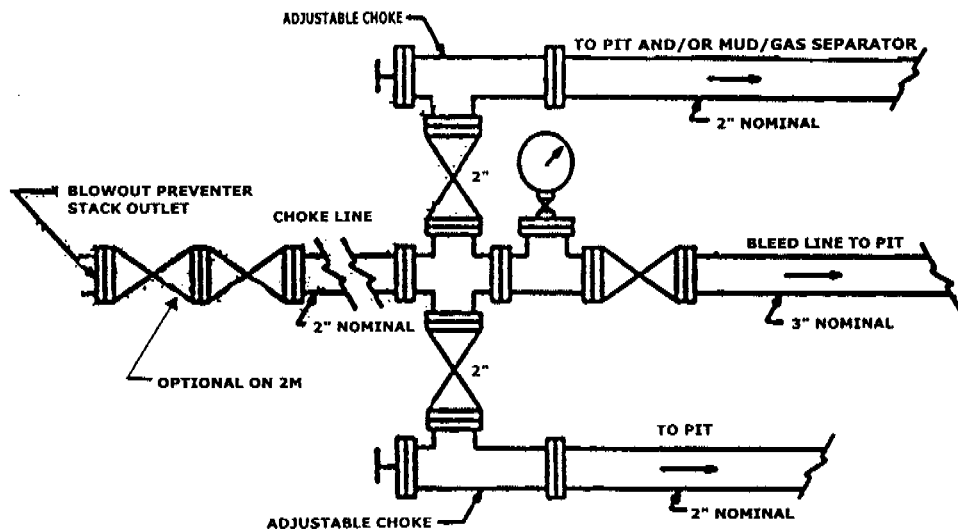
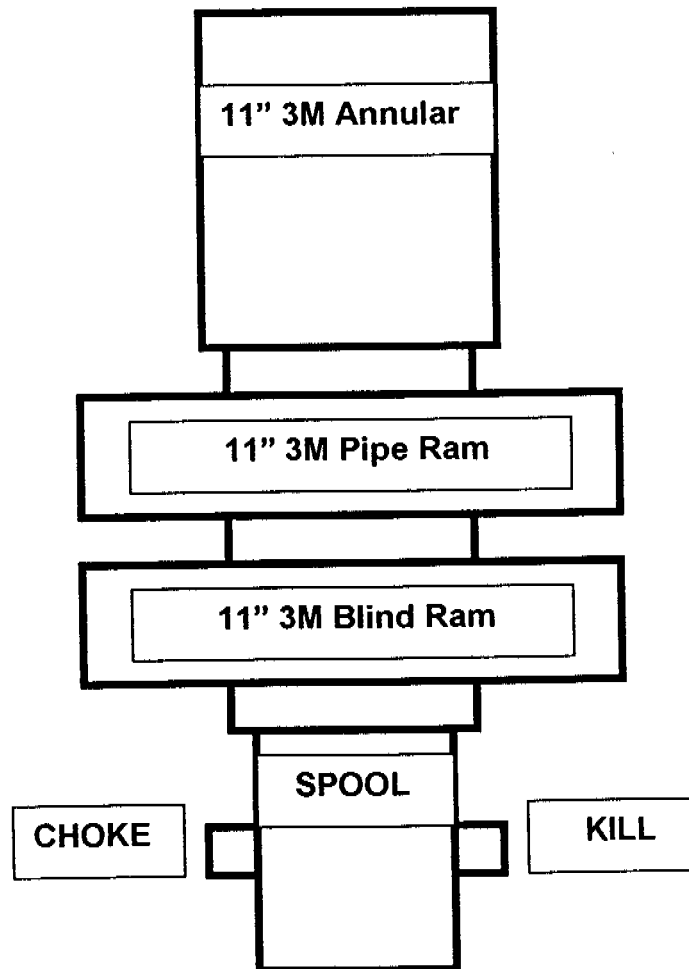


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service - surface installation.

BOPE SCHEMATIC

API 3M - 11 - SRRA



FAT CHANCE OIL & GAS , LLC

SUTTONS #4-12

LOCATED IN RICH COUNTY, UTAH
SECTION 12, T6N, R7E, S.L.B.&M.

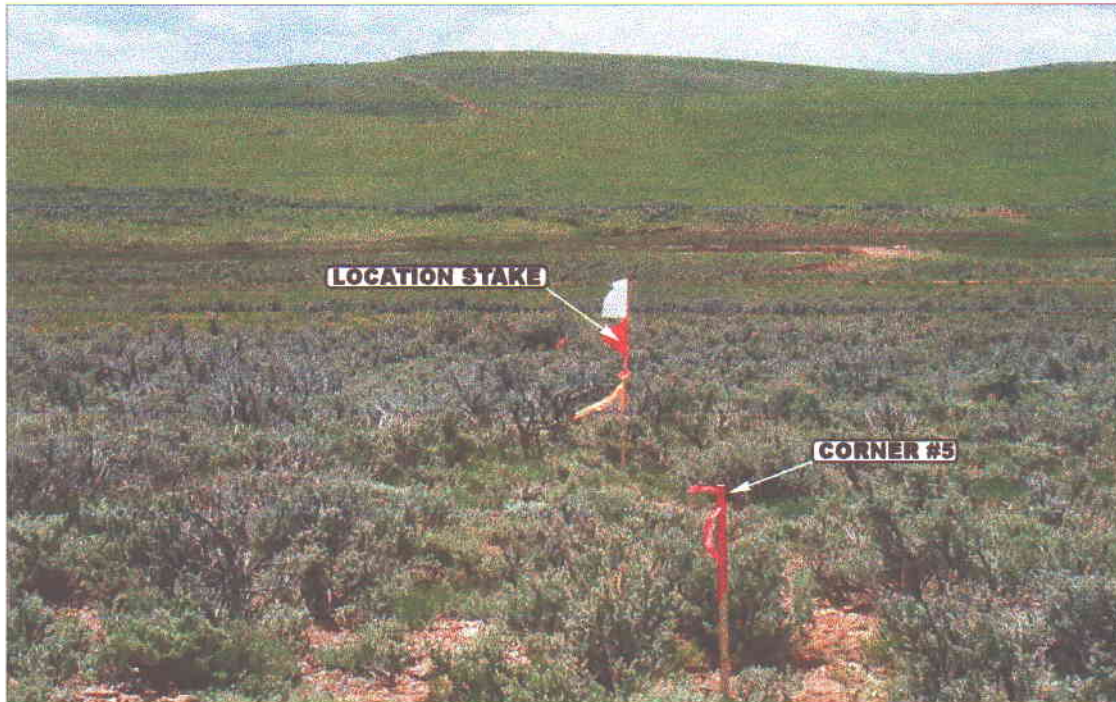


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

5 24 01
MONTH DAY YEAR

PHOTO

TAKEN BY: C.T.

DRAWN BY: P.M.

REVISED: 00-00-00

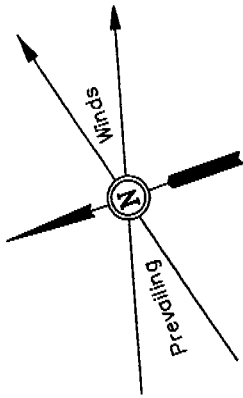
FAT CHANCE OIL & GAS, LLC

LOCATION LAYOUT FOR

SUTTONS #4-12

SECTION 12, T6N, R7E, S.L.B.&M.

748' FNL 631' FWL



SCALE: 1" = 50'

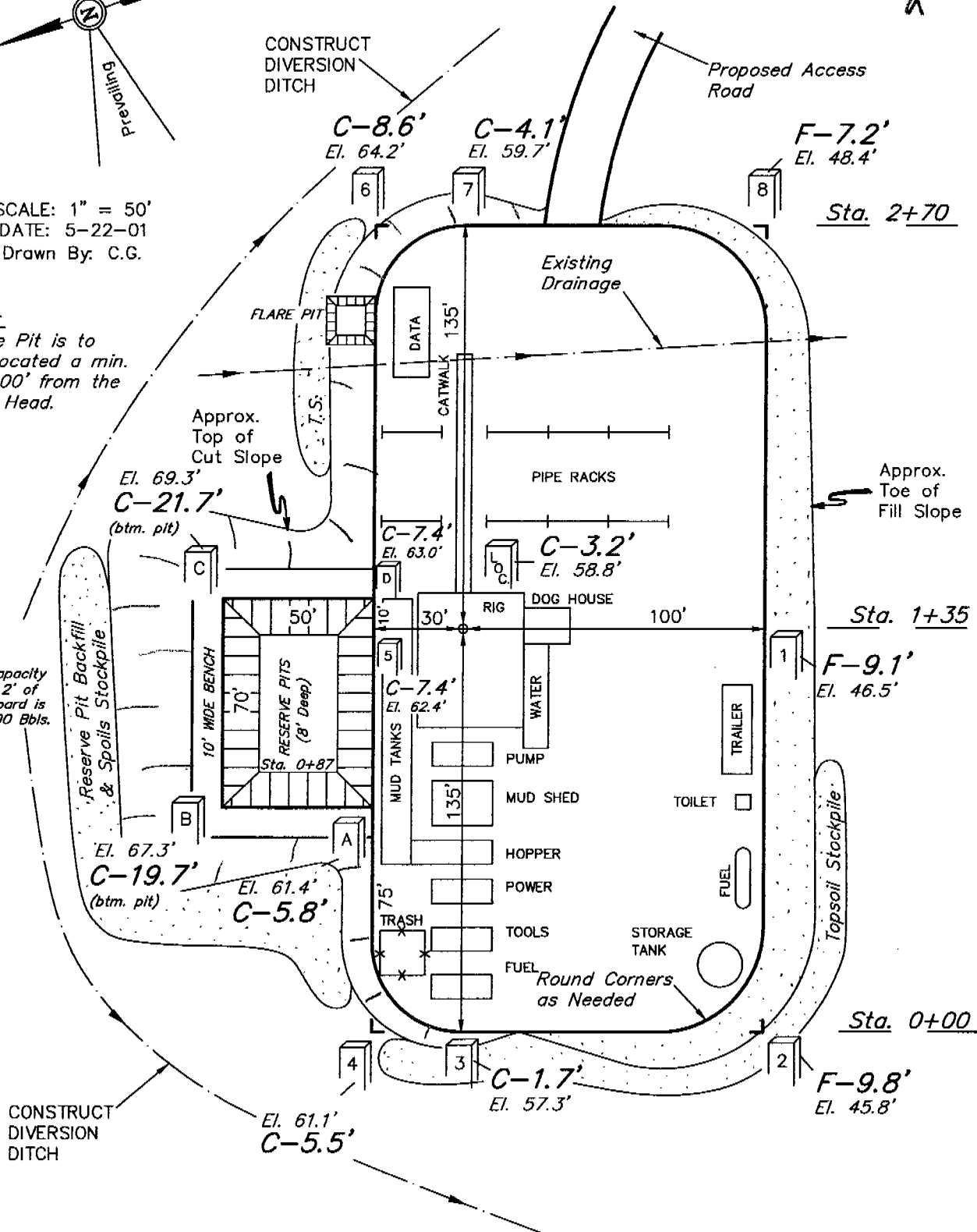
DATE: 5-22-01

Drawn By: C.G.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Pit Capacity With 2' of Freeboard is \pm 2,090 Bbls.



Elev. Ungraded Ground at Location Stake = 6858.8'

Elev. Graded Ground at Location Stake = 6855.6'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

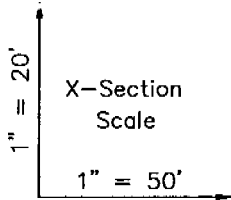
FAT CHANCE OIL & GAS, LLC

TYPICAL CROSS SECTIONS FOR

SUTTONS #4-12

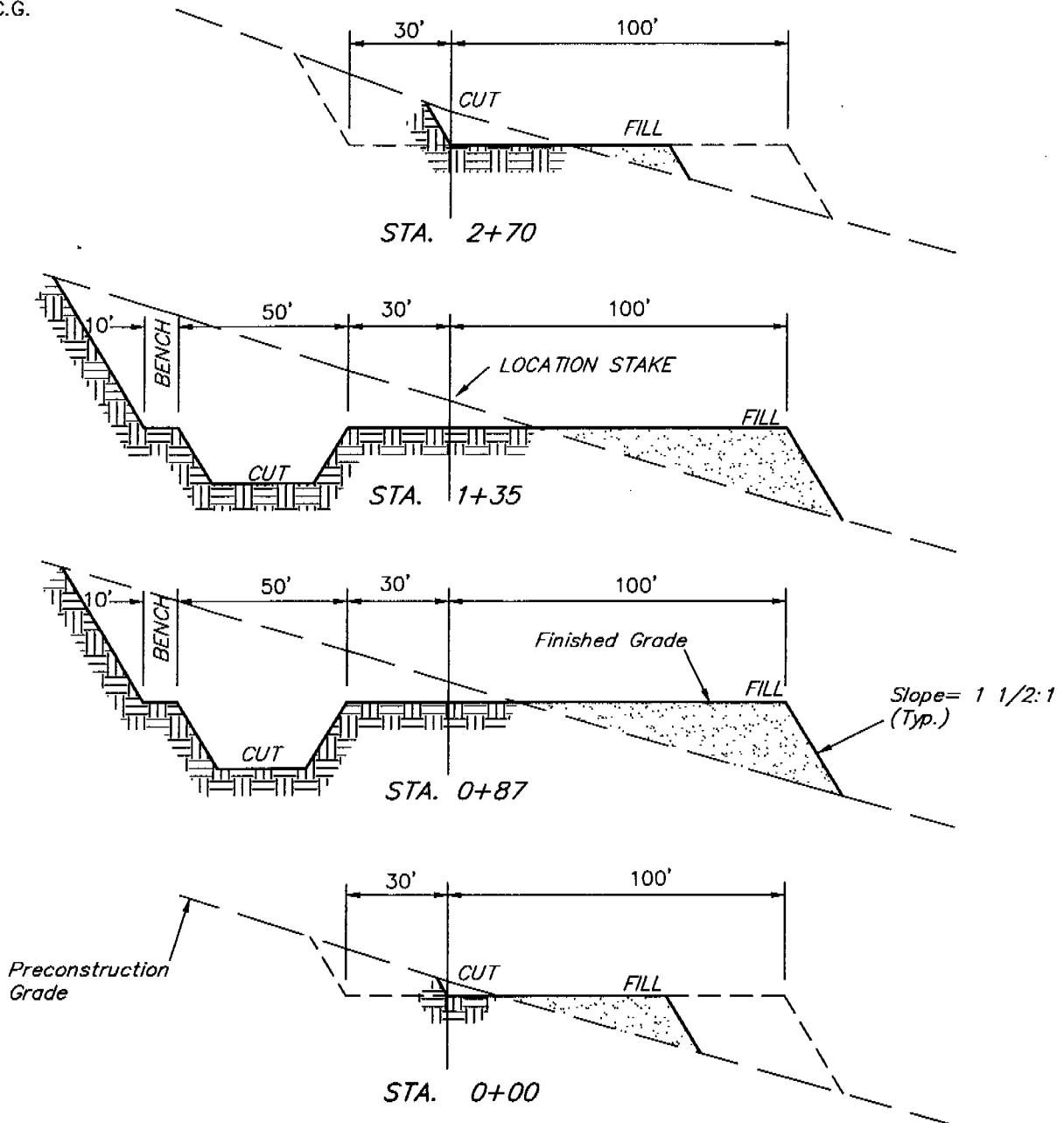
SECTION 12, T6N, R7E, S.L.B.&M.

748' FNL 631' FWL



DATE: 5-22-01

Drawn By: C.G.

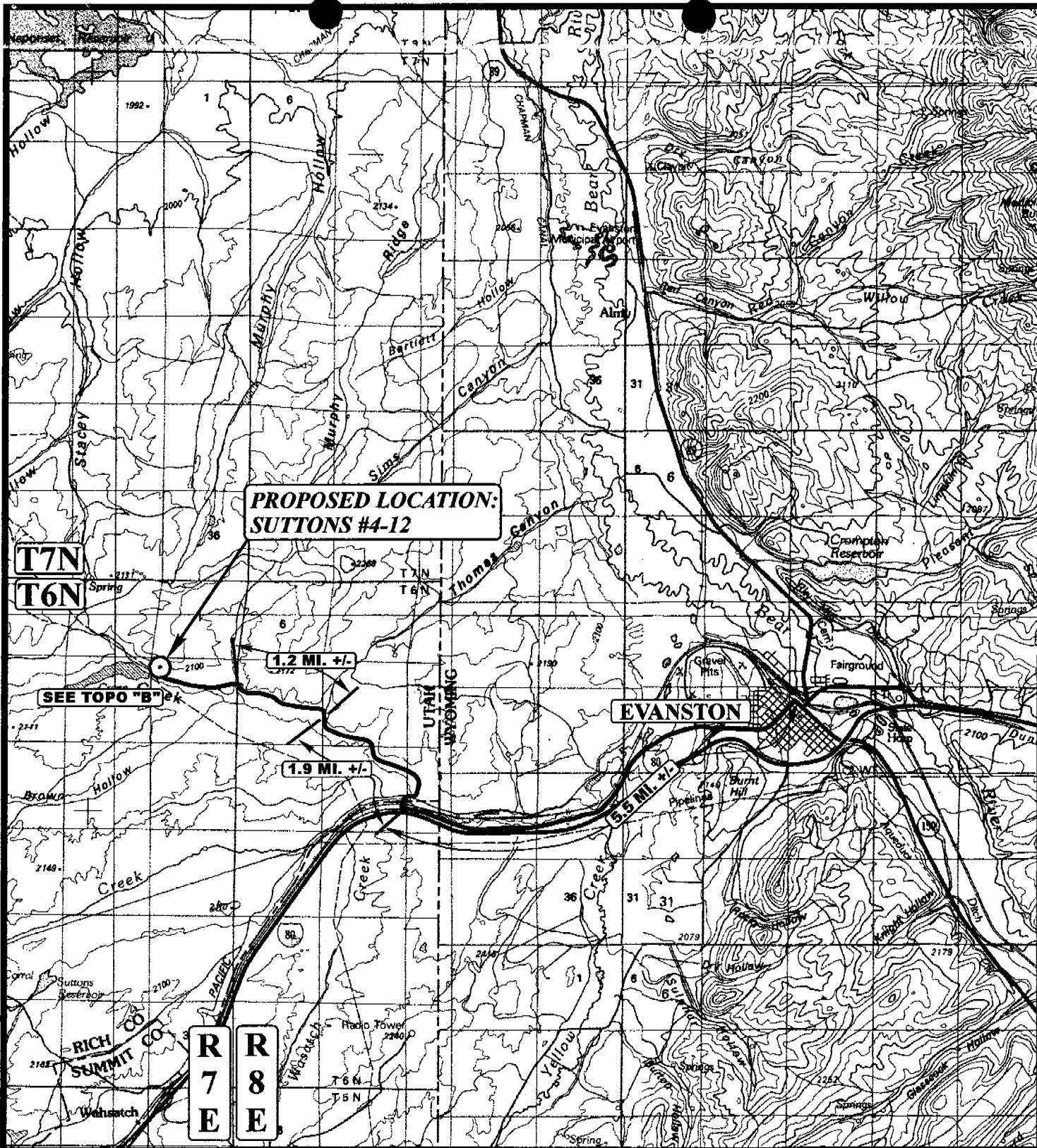


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	750 Cu. Yds.
Remaining Location	=	5,130 Cu. Yds.
TOTAL CUT	=	5,880 CU.YDS.
FILL	=	4,560 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

FAT CHANCE OIL & GAS, LLC

SUTTONS #4-12

SECTION 12, T6N, R7E, S.L.B.&M.

748' FNL 631' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

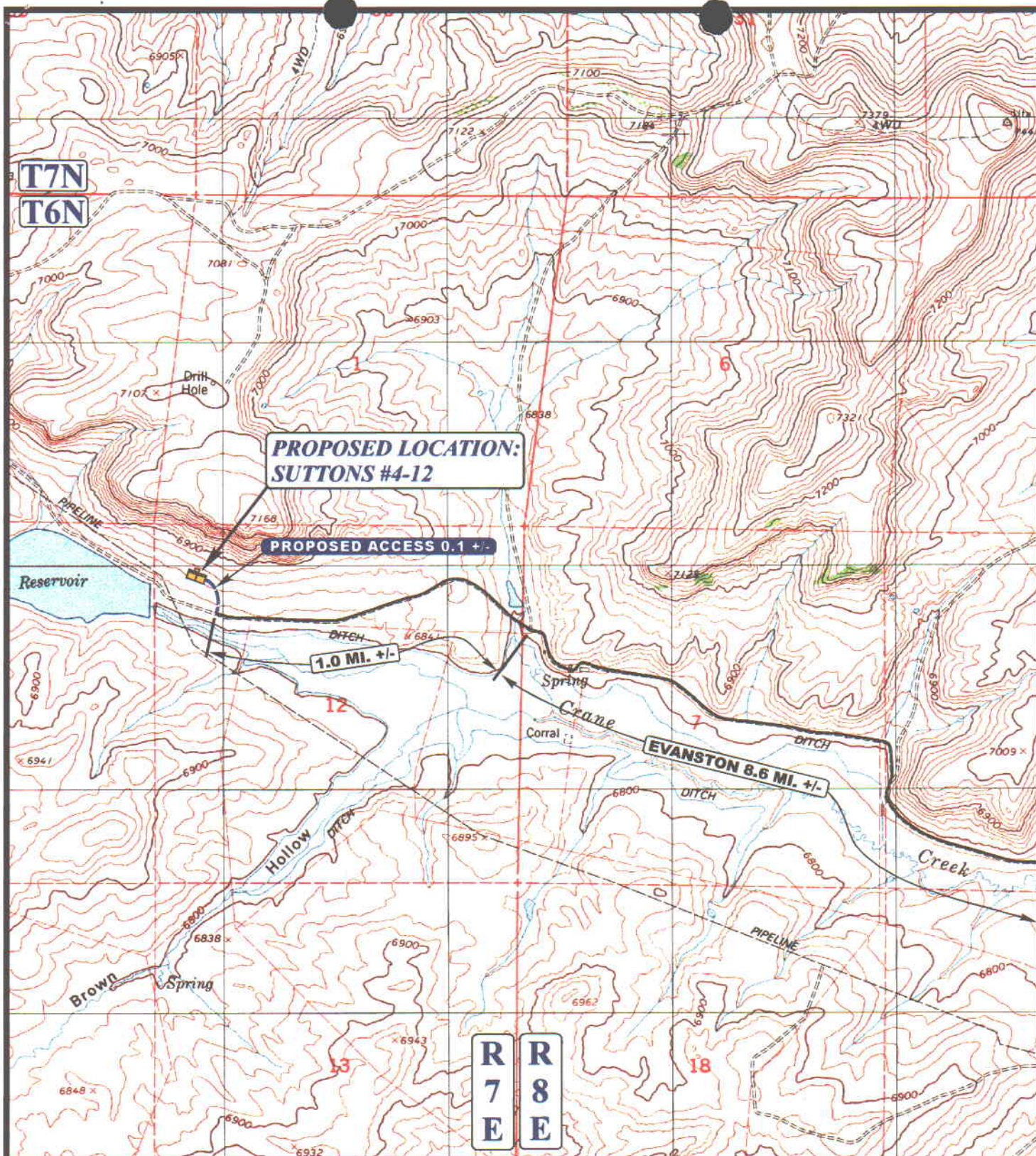


TOPOGRAPHIC
MAP

5 **24** **01**
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00

A
TOPO



LEGEND:

 PROPOSED ACCESS ROAD
 EXISTING ROAD

FAT CHANCE OIL & GAS, LLC

SUTTONS #4-12
SECTION 12, T6N, R7E, S.L.B.&M.
748' FNL 631' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
 TOPO

WATER RIGHT: 21-868 CERT. NO.:

RIGHT EVIDENCED BY: 21-868

CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [] .

NAME: Deseret Livestock Company
ADDR: 531 South State Street
CITY: Salt Lake City

OWNER MISC:

INTEREST: 100%

FILING: 03/15/2001	RECVD BY: [GF]	PRIORITY: 03/15/2001	ADV DESIG: / /	BY: []	PAPER:
PUB BEGAN: / /	PUB ENDED: / /	PRTST END: / /	PROTESTED: [No]	PROOF PUB: / /	BY: []
A/R DESIG: []	A/R DESIG: / /	REG ENG: [RMF]	APPROP: []	MEMO DEC: []	APPR/REJECT: [Approved]
APPR/REF: 03/19/2001	PROOF DUE: / /	EXTENSION: / /	ELEC/PROOF: []	ELEC/PROOF: / /	ROUGH DRAFT: / /
CERT/WUC: / /	LAP, ETC: / /	PROV LETR: / /	RENOVATE: / /		

Status: UNAP Date Verified: 03/05/2001 Initials: GF

[illegible]

FLOW: 12.0 cfs
SOURCE: Unnamed Tributary to Duck Creek
COUNTY: Summit

FLOW:	32.235 acft	R/W:
SOURCE:	Crane Creek & Neponset reservoirs, Springs	
COUNTY:	Rich	COM DESC: Deseret Ranch

The majority of the water will be diverted from Crane reservoir.

POINT(S) OF DIVERSION ----->

Point Surface:
(1) N 1290 ft E 300 ft from W4 cor, Sec 12, T 6N, R 7E, SLBM
Diverting Works:
Source:

CHANGED AS FOLLOWS:

```
Point Surface:
(1) S 1000 ft W 100 ft from NE cor, Sec 11, T 6N, R 7E, SLBM
    Diverting Works: Pump
    Source: Crane Reservoir
(2) N 200 ft W 1600 ft from SE cor, Sec 35, T 7N, R 7E, SLBM
    Diverting Works: Pump
    Source: Springs
(3) N 1730 ft W 1415 ft from SE cor, Sec 35, T 8N, R 7E, SLBM
    Diverting Works: Pump
    Source: Neponset reservoir
```

PLACE OF USE ----->

```

--NW4-- --NE4-- --SW4-- --SE4--
|N N S S|N N S S|N N S S|N N S S|
|W E W E|W E W E|W E W E|W E W E|
|Sec 12 T 6N R 7E SLBM *X:X:X*:X:X*:X:X*:X:X*:X:X*:X:X*
|Sec 13 T 6N R 7E SLBM *:X: **: **: **: **: **: *:
|Sec 7 T 6N R 8E SLBM *:X: **: **: **X:X:~X~X:X:X:X*
|Sec 8 T 6N R 8E SLBM *: **: **: **: **: :X: **: **: *
|Sec 16 T 6N R 8E SLBM *:~X: **: **: **X: **: **: **: *
|Sec 17 T 6N R 8E SLBM *X:X: **X:~X:X~*: **: **: **: *
|Sec 18 T 6N R 8E SLBM *: **: **X:X: **: **: **: **: *

```

CHANGED as follows:

						--SW4--	--NE4--	--SW4--	--SE4--
						N N S S	N N S S	N N S S	N N S S
						W E W E	W E W E	W E W E	W E W E
Sec 1	T	6N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X:X:X:			
Sec 2	T	6N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 11	T	6N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 12	T	6N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 4	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 6	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 7	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 8	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 9	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 17	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 18	T	6N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 11	T	7N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 35	T	7N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 21	T	7N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 29	T	7N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 33	T	7N	R	8E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 32	T	8N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			
Sec 35	T	8N	R	7E	SLBM	*X:X:X:XXX:X:X:X*X:X:X:X*X:X:X:			

NATURE OF USE ----->	CHANGED as follows:
SUPPLEMENTAL to Other Water Rights: Yes	SUPPLEMENTAL to Other Water Rights: No
IRR: 314.5000 acs Sol/Sup: acs USED 04/01 - 10/15	
STK: 30800 Cattle or Equivalent USED 04/01 - 10/15	
	OTH: INDUSTRIAL: testing of geologic formations USED 01/01 - 12/31

RESERVOIR STORAGE -->	SAME AS HERETOFORE
Storage 01/01 to 12/31, in Crane Reservoir with a maximum capacity of 775.700 acre-feet, located in:	
--NW4-- --NE4-- --SW4-- --SE4--	
Height of Dam: ft N N S S N N S S N N S S N N S S	
Area Inundat acs W E W E W E W E W E W E W E W E	
Sec 10 T 6N R 7E SLBM * : : : ** : : :X** : : : ** : : : *	
Sec 11 T 6N R 7E SLBM * :X:X:X**X:X:X** : : : ** : : : *	
Sec 12 T 6N R 7E SLBM *X: :X: ** : : : ** : : : ** : : : *	

END OF DATA

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 5

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Property Reserve, Skull Valley & Kavanagh

LEASE NUMBER: FEE

and hereby designates

NAME: Fat Chance Oil and Gas, LLC, an Oklahoma Limited Liability Company

ADDRESS: P. O. Box 7370, 850 Val Vista
Sheridan WY 82801
city state zip

as his (check one) agent ☐ / operator ☒, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)


See Attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 01/01/2001

BY: (Name) Billy Jim Palone
(Signature) 
(Title) Owner
(Phone) (307) 682-1621

OF: (Company) Palone Petroleum
(Address) P. O. Box 6
Gillette
WY 82717
city state zip

Exhibit "A"

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

Tract No. 1		
Township 9 North, Range 7 East, S.L.M.		
Section 26:	W2	311.00
Section 27:	All	640.00
Section 34:	E2, E2NW	400.00
Section 35:	All	640.00
Section 36:	Beginning at the Southwest corner of Section 36; thence North 2 3/4 degrees East 2698 feet; thence South 89 degrees East to the West boundry line of State Highway; thence South 32 degrees East along said West line 3156 feet more or less, to a point East of beginning; thence West 2210 feet, more or less, to the point of beginning.	84.00
Tract No. 2		
Township 8 North, Range 7 East, S.L.M		
Section 1:	All that portion of Section 1 lying South and West of the Highway. Said highway is described as follows: A parcel of land 100 feet wide, 50 feet on each side of the following described centerline: Beginning at a point approximately 2244 feet East from the Northwest corner of said section; thence South 32 degrees 14 minutes East 1921.6 feet; thence 297.9 feet along the arc of a circlce to the left whose radius is 1432.7 feet long; thence South 44 degrees 09 minutes East 2370.5 feet to the East line of said section.	489.86
Section 2:	Lot 4	28.00
Section 3:	Lots 1(28.00), 2(28.00), 3(28.00), 4(28.00), S2N2, S2	592.00
Section 10:	NE, E2NW, NESW, NWSE	320.00
Section 11:	All	640.00
Section 13:	All	640.00
Tract No. 3		
Township 8 North, Range 7 East, S.L.M		
Section 15:	All	640.00
Section 21:	All	640.00
Section 23:	All	640.00
Section 25:	All	640.00
Tract No. 4		
Township 8 North, Range 7 East, S.L.M		
Section 27:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
Section 36:	All	640.00
Tract No. 5		
Township 8 North, Range 8 East, S.L.M.		
Section 31:	Lots 1(39.86), 2(39.90), 3(39.94), 4(39.98), E2W2, E2	639.68
Township 7 North, Range 7 East, S.L.M.		
Section 1:	Lots 1(40.22), 2(40.68), 3(41.12), 4(41.58), S2N2, S2	643.60
Section 2:	Lots 1(41.81), 2(41.84), 3(41.86), 4(41.89), S2NW	247.40
Section 3:	Lots 1(41.77), 2(41.58), 3(41.33), 4(41.11), S2N2, S2	645.79
Tract No. 6		
Township 7 North, Range 7 East, S.L.M.		
Section 5:	Lots 1(40.59), 2(40.76), 3(40.94), 4(41.11), S2N2, S2	643.40
Section 9:	All	640.00
Section 11:	All	640.00
Section 12:	W2	320.00
Section 13:	All	640.00
Tract No. 7		
Township 7 North, Range 7 East, S.L.M.		
Section 15:	All	640.00
Section 16:	W2SE	80.00
Section 17:	All	640.00
Section 19:	Lots 1(41.10), 2(41.10), 3(41.10), 4(40.44), E2W2, E2	643.74
Section 21:	All	640.00

Tract No. 8	
Township 7 North, Range 7 East, S.L.M.	
Section 23: All	640.00
Section 25: All	640.00
Section 26: W2W2	160.00
Section 27: All	640.00
Section 29: All	640.00
Tract No. 9	
Township 7 North, Range 7 East, S.L.M.	
Section 31: Lots 1(39.82), 2(39.88), 3(39.92), 4(39.98), E2W2, E2	639.60
Section 32: All	640.00
Section 33: All	640.00
Section 35: All	640.00
Tract No. 10	
Township 7 North, Range 8 East, S.L.M.	
Section 7: Lots 1(43.03), 2(42.45), 3(41.87), 4(41.29), E2W2, E2	648.64
Section 9: Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 17: All	640.00
Section 19: Lots 1(39.23), 2(38.88), 3(38.53), 4(38.18), E2W2, E2	634.82
Tract No. 11	
Township 7 North, Range 8 East, S.L.M.	
Section 21: Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 29: All	640.00
Section 31: Lots 1(38.95), 2(39.25), 3(39.55), 4(39.85), E2W2, E2	637.60
Section 33: Lots 1(39.87), 2(39.93), 3(37.97), 4(37.06)	154.83
Tract No. 12	
Township 6 North, Range 6 East, S.L.M.	
Section 2: Lots 1(39.46), 2(39.59), 3(39.71), 4(39.84), S2N2, S2	638.60
Section 12: All	640.00
Section 14: All	640.00
Section 22: All	640.00
Tract No. 13	
Township 6 North, Range 6 East, S.L.M.	
Section 24: All	640.00
Section 26: All	640.00
Section 28: N2SE	80.00
Section 32: All	640.00
Section 34: N2NE, SENE, W2, SE	600.00
Tract No. 14	
Township 6 North, Range 7 East, S.L.M.	
Section 2: Lots 1(22.77), 2(22.32), 3(21.87), 4(21.42), S2N2, S2	568.38
Section 4: Lots 1(21.78), 2(26.54), 3(31.40), 4(36.06), S2N2, S2	595.78
Section 6: Lots 1(40.87), 2(40.62), 3(40.37), 4(43.35), 5(43.06), 6(42.90), 7(42.73), S2NE, SENW, E2SW, SE	653.90
Section 8: All	640.00
Tract No. 15	
Township 6 North, Range 7 East, S.L.M.	
Section 10: All	640.00
Section 12: All	640.00
Section 13: All	640.00
Section 14: All	640.00
Tract No. 16	
Township 6 North, Range 7 East, S.L.M.	
Section 16: All	640.00
Section 18: Lots 1(40.11), 2(40.14), 3(40.16), 4(40.19), E2W2, E2	640.60
Section 20: All	640.00
Section 22: All	640.00
Tract No. 17	
Township 6 North, Range 7 East, S.L.M.	
Section 24: All	640.00

Exhibit "A"

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

Section 25:	All of that portion of Section 25 lying North and West of the Union Pacific Railroad Company Right-of-way.	627.00
Section 26:	All	640.00
Section 28:	All	640.00
Tract No. 18		
Township 6 North, Range 6 East, S.L.M.		
Section 36:	All	640.00
Township 6 North, Range 7 East, S.L.M.		
Section 30:	Lots 1(39.98), 2(40.10), 3(40.22), 4(40.34), E2W2, E2	640.64
Section 32:	All	640.00
Section 34:	All	640.00
Tract No. 19		
Township 6 North, Range 8 East, S.L.M.		
Section 4:	Lots 1(30.73), 2(21.10), 3(21.10), 4(21.10), 5(24.67), 6(30.81), 7(36.94)	186.45
Section 6:	Lots 1(29.00), 2(29.00), 3(29.00), 4(29.00), 5(40.00), 6(40.00), 7(40.00), S2NE, SENW, E2SW, SE	596.00
Section 7:	Lots 1(40.17), 2(40.52), 3(40.87), 4(41.22), E2W2, E2	642.78
Section 8:	All	640.00
Section 9:	Lots 1(21.09), 2(21.06), 3(21.03), 4(21.01), W2W2, Less and Except 62.15 acres more or less, as conveyed within that certain Warranty Deed dated February 3, 1999, recorded February 17, 1999 in Book E8 at page 203, with Property Reserve, Inc., a Utah corporation, f/k/a Deseret Title Holding Corporation, as Grantor, and Evanston-Uinta County Airport Joint Powers Board, as Grantee.	182.04
Tract No. 20		
Township 6 North, Range 7 East, S.L.M.		
Section 36:	All of that portion of Section 36 lying North and West of the Union Pacific Railroad Company Right-of-way.	375.00
Township 6 North, Range 8 East, S.L.M.		
Section 16:	All of that portion of Section 16 lying North of the Union Pacific Railroad Company right-of-way.	165.00
Section 17:	All of that portion of Section 17 lying North and West of the Union Pacific Railroad Company right-of-way.	479.00
Section 18:	Lots 1(41.45), 2(41.55), 3(41.65), 4(41.75), E2W2, E2	646.40
Section 19:	All of that portion of Section 19 lying North and West of the Union Pacific Railroad Company right-of-way.	508.00
Section 30:	Lot 1(41.05) and that part of Lot 2 lying North and West of the Union Pacific Railroad Company right-of-way.	65.00
Tract No. 21		
Township 5 North, Range 6 East, S.L.M.		
Section 12:	All	640.00
Township 5 North, Range 7 East, S.L.M.		
Section 2:	All that part lying North and West of the West Bound Union Pacific Railroad Company right of way	486.32
Section 4:	Lots 1(41.24), 2(41.34), 3(41.42), 4(41.52), S2N2, S2	645.52
Section 6:	Lots 1(41.36), 2(40.98), 3(40.58), 4(40.40), 5(40.40), 6(40.32), 7(40.24), S2NE, SENW, E2SW, SE	644.28
Section 8:	All	640.00
Section 10:	N2NW	80.00
Section 18:	Lots 1(39.97), 2(39.93), 3(39.88), N2NE, SWNE, E2NW, NESW	359.78

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/04/2001

API NO. ASSIGNED: 43-033-30058

WELL NAME: SUTTONS 4-12

OPERATOR: FAT CHANCE OIL & GAS (N1395)

CONTACT: CASEY OSBORN

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:

NWNW 12 060N 070E

SURFACE: 0748 FNL 0631 FWL

BOTTOM: 0748 FNL 0631 FWL

RICH

WILDCAT (1)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: KELVN

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DEO	8/6/01
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 885588C)

☒ Potash (Y/N)

☒ Oil Shale (Y/N) *190-5 (B) or 190-3

☒ Water Permit

(No. 21-868)

☒ RDCC Review (Y/N)

(Date: 06/22/2001)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit _____

☒ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

☐ R649-3-3. Exception

☐ Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

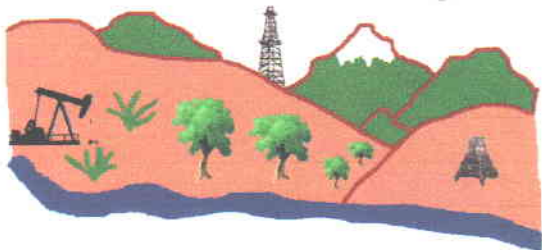
☐ R649-3-11. Directional Drill

COMMENTS:

Need Presite (7-18-01)

STIPULATIONS: ① Production casing shall be cemented 100' minimum above the top of the Frontier coals and
furthermore 100' minimum above any producing formation encountered while drilling and 100' minimum above any zone tested

② STATEMENT OF BASIS



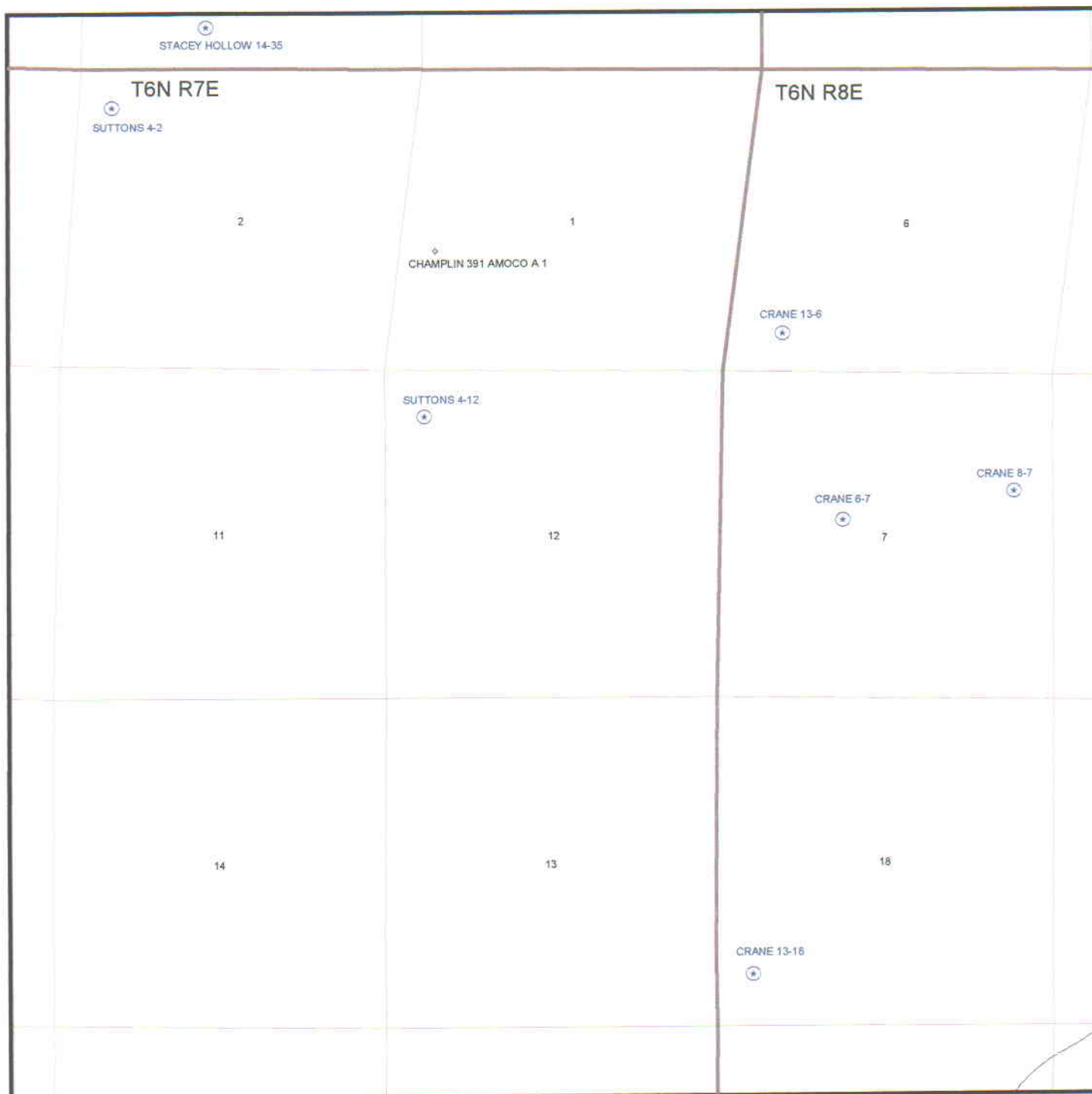
Utah Oil Gas and Mining

OPERATOR: FAT CHANCE O&G LLC (N1395)

SEC. 12, T6N, R7E

FIELD: WILDCAT (001)

COUNTY: RICH SPACING: R649-3-2/GEN ST



PREPARED BY: LCORDOVA
DATE: 6-JUNE-2001

07-01 Fat Chance Suttons 4-12

Casing Schematic

Surface

unquen

9-5/8"
MW 9.
Frac 19.3 Eureka

550'

1590'
unconformity
1600'
Frontier

3250'
Fopen

3650'
Bear River

kelvin
7"
MW 9.5

TOC @
0.

219

Surface
500. MD

1556' 7505x

TOC @
3606.

109

Production
5400. MD

BOP

B4P

$$(0.052)(9.5)(5400) = 2668 \text{ psi}$$

Anticipated = 1950 psi

C-15

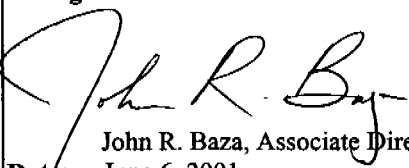
$$(0.12)(5400) = 648 \text{ psi}$$

MASP = 2020 psi

3m SRAA BOP

Adequate
DRD 8/6/01

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse) 3. Approximate date project will start: Upon Approval
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Bear River Association of Governments	
5. Type of action: / / Lease <input checked="" type="checkbox"/> / Permit / / License / / Land Acquisition / / Land Sale / / Land Exchange / / Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Fat Chance Oil & Gas, LLC proposes to drill the Suttons 4-12 well (wildcat) on a Fee lease, Rich County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) NW/4, NW/4, Section 12, Township 6 North, Range 7 East, Rich County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: June 6, 2001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Suttons 4-12	
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 748' FNL 631' FWL AT PROPOSED PRODUCING ZONE: same		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 5 miles west of Evanston, Wyoming		11. COUNTY: Rich	12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 631'	15. NUMBER OF ACRES IN LEASE: 52,395	16. NUMBER OF ACRES ASSIGNED TO THIS WELL 160	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 5500'	18. PROPOSED DEPTH: 5,400	19. BOND DESCRIPTION: Utah DOGM Surety #885588C	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6859' GR	21. APPROXIMATE DATE WORK WILL START: 8/1/2001	22. ESTIMATED DURATION: 10 days	

23. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8"	H-40	32.3#	500	Type III	225 sx	1.54 14#
8 3/4"	7"	J-55	26#	5,400	50/50 Poz	350	1.22 14.3#

24. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|---|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Casey Osborn

TITLE Operations Manager/Agent

SIGNATURE

DATE 5/31/2001

(This space for State use only)

API NUMBER ASSIGNED:

43-033-30058

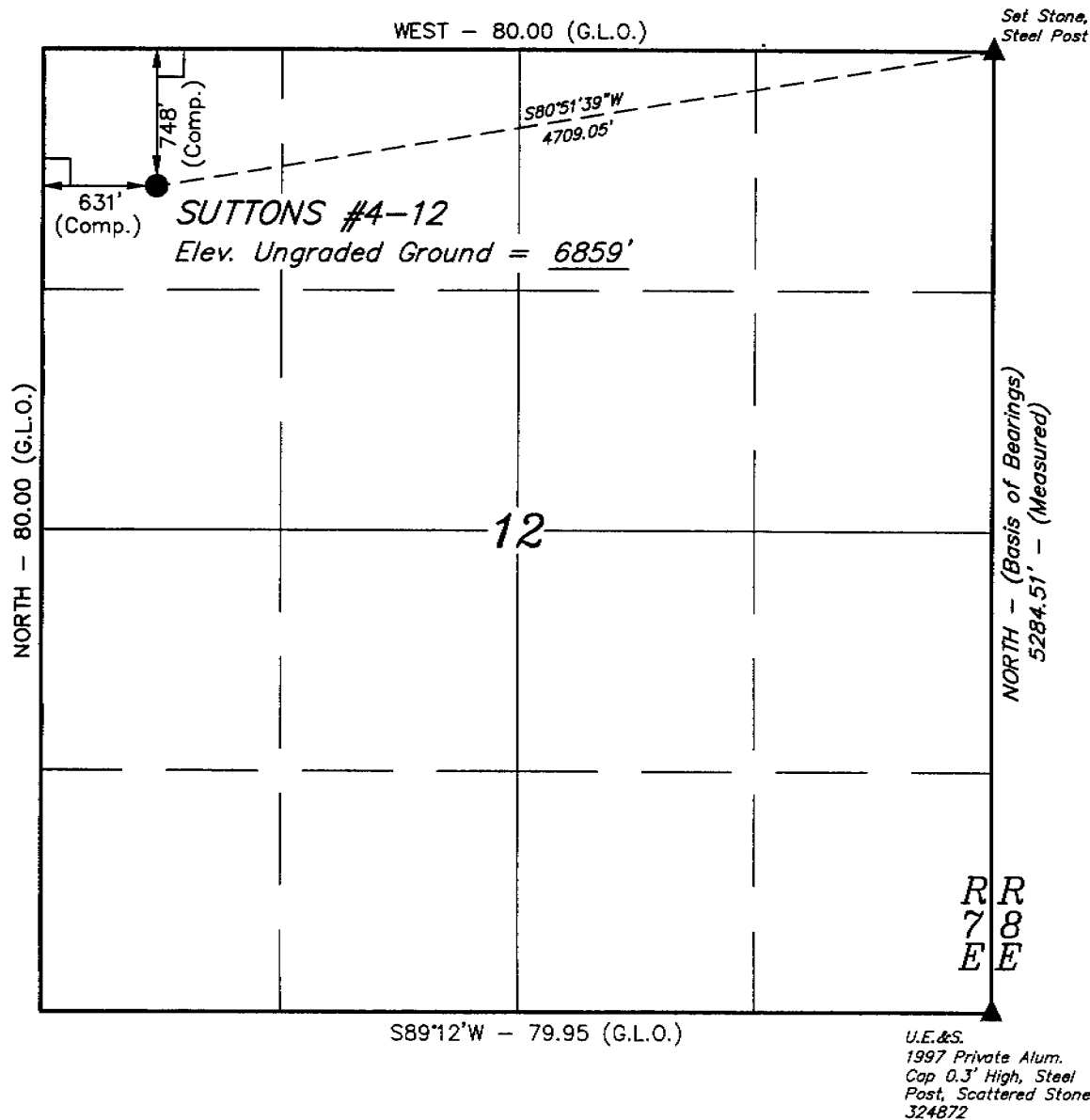
APPROVAL:

RECEIVED
JUN 04 2001
DIVISION OF
OIL, GAS AND MINING

T6N, R7E, S.L.B.&M.

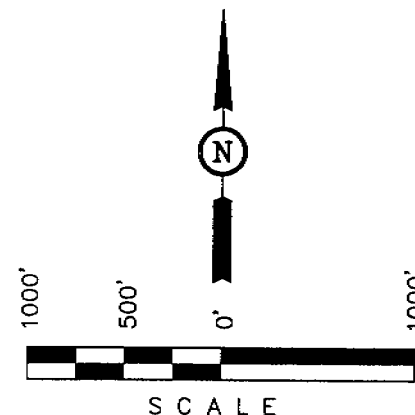
FAT CHANCE OIL & GAS, LLC

Well location, SUTTONS #4-12, located as shown in the NW 1/4 NW 1/4 of Section 12, T6N, R7E; S.L.B.&M., Rich County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 31, T7N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7184 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 41°16'27"
LONGITUDE = 111°06'32"

U.E.&S.
1997 Private Alum.
Cap 0.3" High, Steel
Post, Scattered Stones
324872

SCALE 1" = 1000'	DATE SURVEYED: 5-14-01	DATE DRAWN: 5-22-01
PARTY C.T. J.H. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE FAT CHANCE OIL & GAS, LLC	

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: Fat Chance Oil and Gas, LLC

WELL NAME & NUMBER: Suttons #4-12

API NUMBER: 43-033-30058

LEASE: Fee (Deseret Land and Livestock) **FIELD/UNIT:** Wildcat

LOCATION: 1/4, 1/4 NW NW Sec 12 TWP: 6 N RNG: 7 E 748 FNL 631 FWL

LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells

GPS COORD (UTM): X = 490,915 E; Y = 4,568,978 N Calculated

SURFACE OWNER: Deseret Land and Livestock

Geology/Ground Water:

It is expected that fresh water aquifers containing significant volumes of high quality ground water will be penetrated. A moderately permeable soil is developed on the Tertiary clays of the Wasatch formation. There are 8 active water rights within a mile of this location, which indicate good water is present within a mile of location at a shallow depth or at the surface. The proposed casing and cementing programs should adequately isolate any zones of fresh water that may be penetrated but the operator must extend the surface casing setting depth as needed to completely contain the USDW's encountered and place cement across all fresh water zones. If the well is plugged and abandoned any zone of fresh water will be protected with cement and cement will be circulated to ground level on the surface casing string. As this location is near an active spring and drainage, extra care will be taken to protect any ground or surface water sources.

Reviewer: K. Michael Hebertson

Date: 17-July-2001

Surface:

The surface belongs to Deseret Land and Livestock and persons representing Deseret Land and Livestock were invited to the on-site inspection. Those attending the onsite are noted above in the Participants section of the review document. Items of concern at this location are surface use agreement, and winter drilling restrictions not yet specified by the surface owner. The site is actively being used by several types of wildlife and signs of active use are everywhere on the ground. The surface owner does not currently have objection to the operation.

Reviewer: K. Michael Hebertson

Date: 17-July-2001

Conditions of Approval/Application for Permit to Drill:

1. A 12-mil minimum thickness synthetic pit liner is required.
2. Berms and diversions to protect the location and spoil piles and control erosion and pollution.
3. Surface casing will be set through all active water zones, cement will be circulated to surface
4. Site infrastructure placement as per drilling location plat.
5. The location will be bermed on the top outside edge and topsoil will be stored in wind rows not piles.
6. Berms or ditches will be placed on all cut and fill slopes to catch and contain any fluids escaping location.

disposal facility. Used oil from drilling operations and support will be hauled to a used oil re-cycling facility and re-used.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: This location uphill from Crane Reservoir about 1.2 miles and several developed water resources are within one mile. There is an active spring and a stock watering pond within ¼ mile. All precautions will be taken to insure the integrity of these resources.

FLORA/FAUNA: Open sagebrush, and grass meadows, cactus, birds, lizards, coyotes, rodents, raptors, occasional elk, deer, pronghorn and sage grouse. Critical winter range.

SOIL TYPE AND CHARACTERISTICS: Mostly clay with very little sand, light gray to dark brown in color. Some pit run type gravel. SM to SP type soils.

SURFACE FORMATION & CHARACTERISTICS: Wasatch Formation Clay with numerous rocks light gray to medium brown in color. Minor sand, and topsoil. Moderate to Poor Permeability.

EROSION/SEDIMENTATION/STABILITY: Stable. Wasatch type soils are generally susceptible to slumping when slopes are wet and become saturated. The slope of the ground in this location will not be sufficient for the unstable conditions to occur. Erosion and sedimentation at this location will not be an issue.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner is required.

SURFACE RESTORATION/RECLAMATION PLAN

A surface use agreement will be negotiated.

SURFACE AGREEMENT: A surface use agreement will be negotiated.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeological survey is not required.

OTHER OBSERVATIONS/COMMENTS:

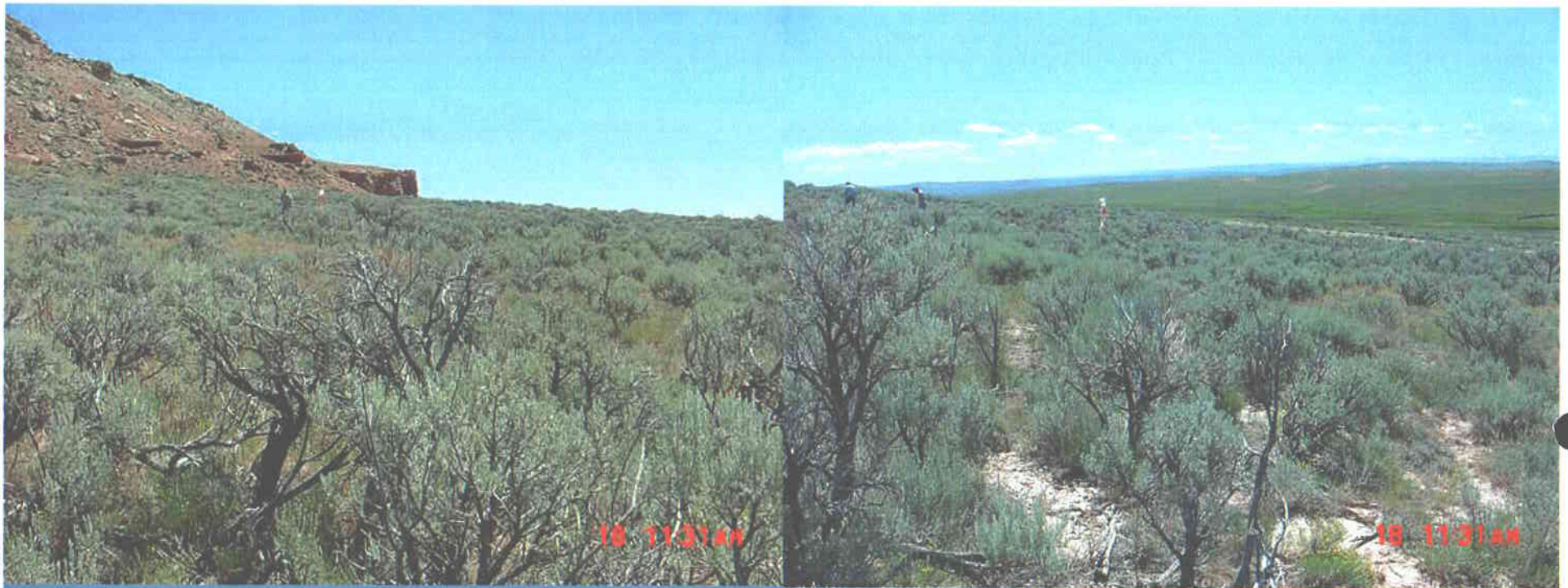
The surface owner was invited and attended the pre-site. His concerns about the well is that he didn't want the well on his property to start with and that the location would be in an area where he didn't want anything disturbed. He was also vocal about when he wanted the intermediate reclamation done and what should be planted.

ATTACHMENTS:

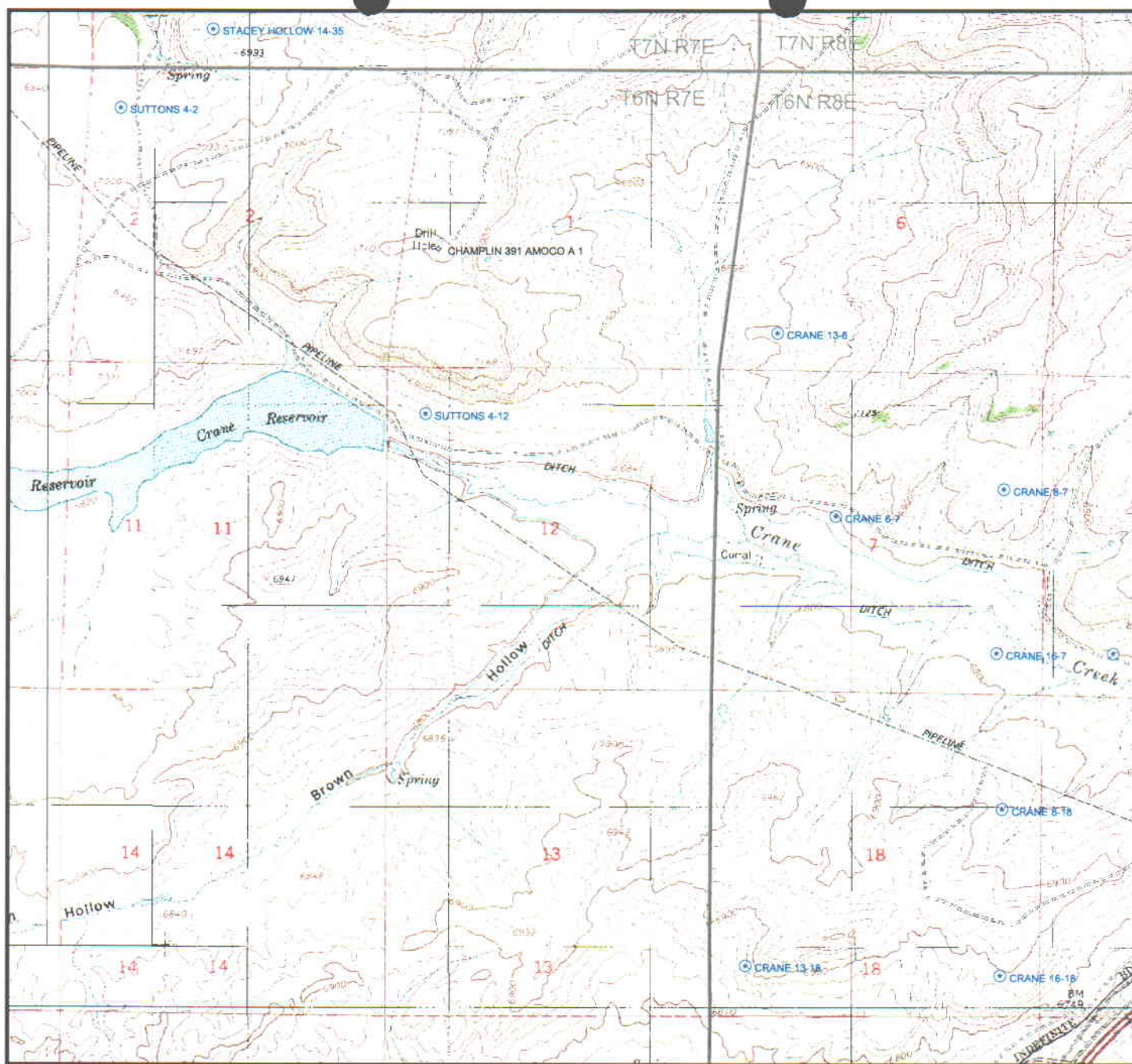
Photographs were not taken.

K. Michael Hebertson
DOGM REPRESENTATIVE

18-July-2001 1:20 PM
DATE/TIME



FAT CHANCE, SUTTONS 4-12, SEC. 12, T6N, R7E, RICH COUNTY, API 43-033-30058

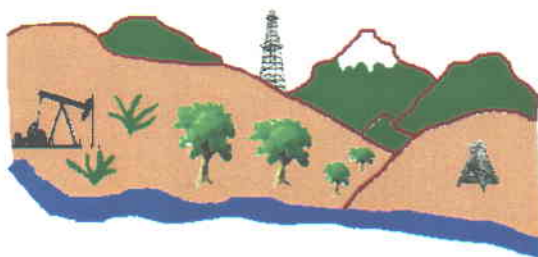


Well Status

- ⌘ GAS INJECTION
- ⬢ GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⬢ PLUGGED & ABANDONED
- ⬢ PRODUCING GAS
- PRODUCING OIL
- ⬢ SHUT-IN GAS
- ⬢ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ⬢ WATER SUPPLY
- ⬢ WATER DISPOSAL

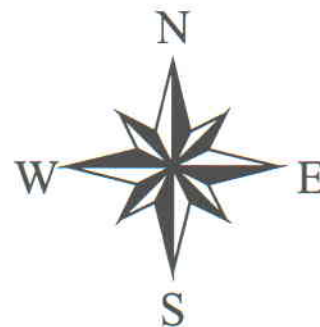
Sections

□ Township



Utah Oil Gas and Mining

The Division of Oil, Gas & Mining does not warrant or guarantee the accuracy of any data or information contained herein, and is not responsible for the accuracy of data not under its immediate control. The customer has requested data to be projected when there is no official survey, it is not to be used as reliable data.



Prepared By: K. M. Hebertson
Date: -Mar-2001

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGR

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR	AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT NORTH	EA
0	t25190	.0000	4.00	Crane Creek Res., Neponset Res.	S 1000	W
		WATER USE(S): OTHER Deseret Livestock Company 531 South State Street				
0	t25349	.0000	32.24	Crane Creek & Neponset reservo	S 1000	W
		WATER USE(S): OTHER Deseret Livestock Company PO Box 250				
1	21 868	12.0000	.00	Unnamed Tributary to Duck Cree	N 1290	E
		WATER USE(S): IRRIGATION STOCKWATERING Deseret Livestock Company PO Box 250				
2	21 901	.5000	.00	Unnamed Tributary to Duck Cree	S 1520	E
		WATER USE(S): IRRIGATION STOCKWATERING Deseret Livestock Company 531 South State Street				
3	21 869	.2500	.00	Unnamed Tributary to Duck Cree	N 540	E
		WATER USE(S): IRRIGATION STOCKWATERING Deseret Livestock Company 531 South State Street				
4	21 870	.2500	.00	Unnamed Tributary to Duck Cree	N 20	W
		WATER USE(S): IRRIGATION STOCKWATERING Deseret Livestock Company 531 South State Street				
5	21 995	.0000	.00	Unnamed Tributary to Duck Cree		
		WATER USE(S): STOCKWATERING Deseret Livestock Company 531 South State Street				
6	21 867	1.0000	.00	Unnamed Tributary to Duck Cree	S 440	E
		WATER USE(S): IRRIGATION STOCKWATERING Deseret Livestock Company 531 South State Street				

From: Frances Bernards
To: Cordova, Lisha
Date: 6/27/01 2:15PM
Subject: Wildcat well projects

The following comment applies to: 1) Wildcat Well Quest 6-15, 2) Wildcat Well Quest 16-10, 3) Wildcat Well Stacey Hollow 13-27, 4) Wildcat Well Crane 8-7, 5) Wildcat Well Suttons 4-12; 6) W.W. Quest 8-15; 7) W.W. Quest 14-10; 8) W.W. Crane 16-18; 9) W.W. Crane 16-7; 10) W.W. Crane 8-18:

The proposed well drilling project may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are operating at the site. A permit application, known as a Notice of Intent (NOI) should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order.

If you have any questions, please contact me at 536-4056 or email at fbernard@deq.state.ut.us.

Frances Bernards, Planner
Utah Division of Air Quality
150 N. 1950 West
SLC, UT 84116

N-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Fat Chance Oil and Gas, LLC

WELL NAME & NUMBER: Suttons #4-12

API NUMBER: 43-033-30058

LEASE: Fee (Deseret Land and Livestock) **FIELD/UNIT:** Wildcat

LOCATION: 1/4,1/4 NW NW Sec 12 TWP: 6 N RNG: 7 E 748 FNL 631 FWL

LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells

GPS COORD (UTM): X = 490,915 E; Y = 4,568,978 N Calculated

SURFACE OWNER: Deseret Land and Livestock

PARTICIPANTS

Mike Hebertson, (DOGM), Casey Osborn, Dennis Brabec (Fat Chance), Terry Pruitt, Jana Pruitt
(Deseret Land & Livestock)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

This area is located in the Overthrust Belt of eastern Utah and western Wyoming north of the Uinta Mountains. The geologic setting is known as the Thrust Belt. US Highway 80 is about 5 miles to the south. The Uinta County Airport is located about 4 miles east. Crane Creek drainage is the access route to the location, and is also an active drainage with several developed water resources. Crane Creek Reservoir, flows eastward out of the canyon and is active all year long, it eventually flows into the Bear River near Evanston. The City of Evanston is 8 miles to the east. The surface is Paleocene age Wasatch formation with possible Evanston formation underlying the area. The land slopes to the southwest and is incised by moderate to shallow drainages with active streams and flowing water. The Wasatch formation is composed of a red sandstone, siltstone, mudstone, and conglomerate with minor amounts of gray limestone.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: The operator proposes a 270' X 180' pad, outboard soil storage, and a 50' X 70' X 8' outboard attached pit, an existing road accesses the location. 100 feet of new road will be required.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: There are no existing wells within 1 mile of this location. One new permit is within the one mile radius.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities for this well will remain on the location with exception of the pipelines and utilities for power. The pipeline and utility lines will be buried underground and follow the access road.

SOURCE OF CONSTRUCTION MATERIAL: Gravel location and approach road; soil stored in berm, the location will be made of natural material borrowed from leveling the pad during construction.

ANCILLARY FACILITIES: None

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans

on location will be emptied to centralized dumpsters which will be moved to an approved landfill. No crude oil is expected to be produced. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and salt saturated cuttings will be stabilized in place, then buried. Produced water will be gathered to the evaporation pit and eventually disposed of at an approved disposal facility. Used oil from drilling operations and support will be hauled to a used oil re-cycling facility and re-used.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: This location uphill from Crane Reservoir about 1.2 miles and several developed water resources are within one mile. There is an active spring and a stock watering pond within ¼ mile. All precautions will be taken to insure the integrity of these resources.

FLORA/FAUNA: Open sagebrush, and grass meadows, cactus, birds, lizards, coyotes, rodents, raptors, occasional elk, deer, pronghorn and sage grouse. Critical winter range.

SOIL TYPE AND CHARACTERISTICS: Mostly clay with very little sand, light gray to dark brown in color. Some pit run type gravel. SM to SP type soils.

SURFACE FORMATION & CHARACTERISTICS: Wasatch Formation Clay with numerous rocks light gray to medium brown in color. Minor sand, and topsoil. Moderate to Poor Permeability.

EROSION/SEDIMENTATION/STABILITY: Stable. Wasatch type soils are generally susceptible to slumping when slopes are wet and become saturated. The slope of the ground in this location will not be sufficient for the unstable conditions to occur. Erosion and sedimentation at this location will not be an issue.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner is required.

SURFACE RESTORATION/RECLAMATION PLAN

A surface use agreement is in place.

SURFACE AGREEMENT: There is a surface use agreement.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeological survey is not required.

OTHER OBSERVATIONS/COMMENTS:

The surface manager for Deseret Land and Livestock was not present for the entire onsite review however there were not problems with this location.

ATTACHMENTS:

Photographs were not taken.

K. Michael Hebertson
DOGM REPRESENTATIVE

18-July-2001 11:30 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Scores
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>15</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Based Mud	15	
Fluid containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>15</u>

Final Score 70 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

Well name:

07-01 Fat Chance Suttons 4-12Operator: **Fat Chance Oil**String type: **Production**

Project ID:

43-033-30058

Location: **Rich Co.****Design parameters:****Collapse**Mud weight: 9.500 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 141 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top:

3,606 ft
stip**Burst**Max anticipated surface
pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP 2,665 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 4,626 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	5400	7	26.00	J-55	ST&C	5400	5400	6.151	283.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2665	4320	1.62	2665	4980	1.87	140	334	2.38 J

Prepared by: Dustin Doucet
Utah Dept. of Natural ResourcesDate: August 2, 2001
Salt Lake City, UtahENGINEERING STIPULATIONS: ~~NONE~~ See worksheet

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 5400 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

07-01 Fat Chance Suttons 4-12Operator: **Fat Chance Oil**String type: **Surface**

Project ID:

43-033-30058

Location: **Rich Co.****Design parameters:****Collapse**Mud weight: 9.000 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 72 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 200 ft

Cement top: Surface

BurstMax anticipated surface pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP 247 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on air weight.
Neutral point: 434 ft

Non-directional string.

Re subsequent strings:Next setting depth: 5,400 ft
Next mud weight: 9.500 ppg
Next setting BHP: 2,665 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 500 ft
Injection pressure 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	9.625	32.30	H-40	ST&C	500	500	8.876	31.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	234	1370	5.86	247	2270	9.20	16	254	15.73 J

Prepared by: Dustin Doucet
Utah Dept. of Natural ResourcesDate: August 2, 2001
Salt Lake City, UtahENGINEERING STIPULATIONS: ~~NONE~~ ^{see work sheet}

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

P.O. Box 7370
Sheridan WY 82801
307-673-1500 Phone
307-673-1400 Fax

**Fat Chance Oil & Gas,
LLC**

Fax

To: Lisha Cordova	From: Loma James
Fax:	Pages: 14 including this sheet
Phone:	Date: 8/15/2001
Re: Surface Use Agreements	CC:

☒ Urgent ☒ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments:

I am sorry I didn't enclose this Surface Use agreement with the APDs. This is the Surface Use for both the Suttons 4-12 and the Stacey Hollow 13-27 that you spoke with Bill Courtney about. If you need anything further, please give me or Bill a call and we will expedite your request immediately.

Thank you for your time and consideration in this matter.

Loma James

Administrative Assistant

RECEIVED

AUG 15 2001

DIVISION OF
OIL, GAS AND MINING

Loma James 8-15-01

SURFACE OWNERS AGREEMENT

THIS AGREEMENT is made and entered into as of the 21st day of June, 2000, by and between PROPERTY RESERVE, INC., formerly known as DESERET TITLE HOLDING CORPORATION, a Utah corporation (hereinafter referred to as "PRI"), and BILLY JIM PALONE, d/b/a PALONE PETROLEUM (hereinafter referred to as "Palone").

WITNESSETH

WHEREAS, PRI is the owner of the surface estate of certain parcels of real property situated in Summit, Morgan, and Rich Counties, Utah as more specifically identified on Exhibit "A" attached hereto (hereinafter referred to as the "Property");

WHEREAS, Palone leases or will lease certain mineral interests underlying all or portions of the Property;

WHEREAS, Palone desires to develop the mineral interests; and

WHEREAS, Palone and PRI desire to enter into an agreement setting forth the damages to be paid PRI as a result of such mineral development.

NOW, THEREFORE, in consideration of the covenants and promises set forth herein to be kept and performed by the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Access to Property. All operations of Palone, or any party acting as an agent of Palone, shall be conducted at the sole risk, cost and expense of Palone. PRI makes no representations or warranties regarding the existing or non-existence of any prior leases, rights-of-way, easements, licenses and other instruments and agreements affecting the Property, whether recorded or unrecorded.

2. Roads. Palone has the right to maintain, improve and use existing roads on the Property as well as to construct, maintain and use new roads on the Property on the following terms and conditions:

A. Palone shall advise PRI in reasonable detail of the location, width, cuts, fills, and bar ditches of each new road which it proposes to construct or each existing road it proposes to modify or use (in the case of use only, Palone shall only provide details of the location) on the Property and shall not commence the construction of any new road or modification of an existing road without first providing PRI such information and allowing PRI a reasonable time to review such

information. For each new road it proposes to construct, Palone and PRI agree to work together to select locations and designs of roads which will minimize disturbance of the Property while providing reasonable access to Palone.

B. Except as necessary for exploration of its mineral interests, all vehicular traffic will be restricted to the roads permitted to be used or constructed by Palone hereunder.

C. Palone shall construct and install such steel gates and cattle guards in all fences crossed or affected by Palone as may be necessary, due to the activities of Palone, for the proper protection and handling of PRI's livestock and to secure the Property from trespass. Palone shall also install culverts necessary to protect the road beds and to control and divert water.

D. Palone shall maintain the roads, gates, cattle guards, bridges, culverts and any other similar improvements (not to include any oil field equipment) to be used or constructed by Palone pursuant to this Agreement (the "Improvements") in a good and usable condition during the use thereof and, upon termination of use or abandonment by Palone of any such Improvements, Palone shall do whatever is practical to return the land upon which such Improvements are located to its original condition (including topography and drainage channels) to the extent it can reasonably do so, provided that Palone shall notify PRI in writing of any Improvements it intends to cease using and, if PRI so requests within ten (10) days of receipt of such notice, any such improvements shall be left in place in a good and usable condition and will thereupon become the sole property of PRI.

E. All gates will be kept closed at all times and when requested by PRI will be kept locked to restrict unauthorized entry. At Palone's option, Palone may maintain guards at any gates in lieu of locking said gates.

F. It is agreed and understood that traffic may be delayed for short periods while PRI is moving livestock through the Property and Palone's traffic movement must be coordinated with PRI's Representative so that such traffic movement will not interfere with PRI's movement of its livestock.

G. PRI shall have the right to use any roads constructed or improved by Palone hereunder for any purpose and without cost.

3. Well Locations. Palone has the right to construct, maintain and use drilling sites and/or well locations on the Property on the following terms and conditions:

A. Palone shall advise PRI in reasonable detail of the location, size, cuts, and fills of each new drilling site which it proposes to construct and shall not commence the construction of any new drilling site without first providing such information to PRI and allowing PRI a reasonable time to review such information. Palone and PRI agree to work together to select locations and designs of drilling sites which will minimize disturbance of the Property while providing reasonable access to Palone.

B. At the sole risk, cost and expense of Palone, upon completion of drilling a location where a well will not be operated, all drilling sites including reserve and mud pits, shall be reclaimed and restored as nearly as practical to their original condition, including topography and successfully revegetated after completion of any wells drilled.

C. At the sole risk, cost and expense of Palone, all drilling sites, including reserve and mud pits, where a well will be operated shall be reduced to the minimum area of disturbance needed for the operation of a well with the remaining area being reclaimed and restored as nearly as practical to its original condition and successfully revegetated after completion of any wells drilled.

D. At the sole risk, cost and expense of Palone, upon completion of the operating life of any well, all well sites, including reserve and mud pits, shall be reclaimed and restored as nearly as possible to their original condition (including topography) and successfully revegetated with native plants upon abandonment of any well.

4. Pipelines. Palone has the right to construct, maintain, repair and replace and use Pipelines on the Property on the following terms and conditions:

A. For purposes of this Agreement, a Pipeline shall be defined as including an injection line, flow line, gas or water line, and related facilities designed to primarily service wells which are located on the Property. For purposes of compensation, one Pipeline shall include any of the foregoing lines which are installed in the same ditch at the same time.

B. Palone shall advise PRI in reasonable detail of the location, size, cuts, and fills of each new Pipeline which it proposes to construct and shall not commence the construction of any such line without first providing such information to PRI and providing PRI a reasonable time to review such information. Palone and PRI agree to work together to select locations of

Pipelines which will minimize disturbance of the Property while providing reasonable access to Palone.

C. All Pipelines shall be buried below the surface of the land and where reasonably practical shall be buried below plow depth which shall be defined as being 36" or more in depth to the top of the Pipeline.

D. Upon completion of installation of a Pipeline or upon completion of any modifications or maintenance work resulting in disturbance of the soil, and at the sole risk, cost and expense of Palone, all disturbance resulting from such installation, modification, or maintenance, shall be reclaimed and restored as nearly as practical to their original condition and successfully revegetated.

E. Upon abandonment of a Pipeline, Palone shall abandon the Pipeline in-place and shall remove all other surface facilities or equipment placed upon the right-of-way, and shall restore the right-of-way to as near an original condition as reasonably practicable and will revegetate. All Pipelines will be abandoned according to federal, state, and local regulations, and in the event current or future federal, state, or local regulations require the removal of Pipelines, Palone shall be responsible for complying with these regulations.

5. Other Uses. Palone shall confer with PRI's Representative regarding any uses by Palone on the Property not described in Paragraphs 2, 3, and 4 hereof prior to commencing any such use.

6. Reclamation Standards. For the purposes of any reclamation required under this Agreement, the following standards shall apply:

A. Prior to commencement of any work which will necessitate revegetation, all top soil shall be set aside in such a reasonably practical manner that upon completion of the work or abandonment, the top soil can be replaced.

B. All revegetation shall be done according to a revegetation program and plant mix approved by or provided by both Palone and PRI.

C. Revegetation efforts shall continue until established stands have been obtained.

D. As requested by PRI, Palone shall use its best efforts to control the infestation of noxious weeds on any portion of the Property which is disturbed by

Palone by the timely spraying of control chemicals or other methods of control acceptable to PRI.

E. As discussed herein, all areas disturbed by Palone during operating, maintaining, protecting, marking, repairing, removing, or replacing the roads, well sites, drill sites, pipelines, appurtenances, equipment, and facilities shall be immediately filled, leveled, and graded at the expense of Palone to blend the disturbed area with the landscape as nearly as practical.

7. Work Standards. All operations of Palone on the Property shall be conducted in accordance with the following standards:

A. All operations of Palone shall be in a good and workmanlike manner consistent with recognized industry procedures and in accordance herewith.

B. Palone shall keep the roads, well locations, pipeline locations, and adjacent areas clean at all times and free of any trash, cans, papers, bottles or other debris resulting from Palone's operations hereunder.

C. In addition to any compensation specifically set forth herein, Palone shall repair, replace or reimburse PRI for all damages resulting from the operations of Palone on the Property to any roads, fences, corrals, gates, buildings, structures, water sources, water storage ponds and reservoirs, water pipelines and troughs, crops, livestock, or other improvements on the Property.

D. Palone agrees to replace or repair any levees disturbed or damaged by Palone's operations on the Property and to take the reasonably necessary precautions to channel and protect drainages and waterways affected by its operations on the Property.

E. Palone shall coordinate all operations so that they are conducted in a manner compatible with reasonable security implemented by PRI.

8. Compensation. As compensation for damages caused to the Property by the operations of Palone, Palone agrees to pay PRI the following damages:

A. Palone shall pay to PRI the sum of \$15.00 per rod for each road used or constructed by Palone on the Property.

B. Palone shall pay to PRI the sum of \$7,500 for each standard well or drilling site up to six (6) acres in size. For every additional acre or portion thereof, Palone shall pay to PRI the sum of \$1,200 per acre (to be pro rated for partial acres).

C. Palone shall pay to PRI the sum of \$15.00 per rod for each Pipeline constructed or installed on the Property.

D. Payment for any other damages caused by Palone not enumerated in this Paragraph shall be on a fair and reasonable basis to be negotiated by the parties for each such use.

E. All payments described in this Paragraph shall be paid in full prior to commencement of any work relating to said payment.

F. On September 1, 2001, all payments described in this Agreement shall be subject to escalation in proportion to the percentage increase in the Consumer Price Index (CPI-U, average all items, 1982-84 base) of the United States or its successor indicator ("CPI") over the preceding five years. Thereafter, all payments described in this Paragraph shall be increased annually in proportion to the percentage increase in the CPI over the preceding year.

9. Use Restrictions. No guns, firearms, alcoholic beverages, drugs, dogs, trail bikes, motorcycles, recreational use of ATV's, recreational use of snowmobiles, or recreational vehicles shall be permitted on the Property and Palone, its agents, representatives, and employees shall not hunt, fish, recreational camp, recreational hike, trap or conduct any recreational activities on the Property. Additionally, Palone shall not unnecessarily disturb the livestock and wildlife on the Property.

10. Permits/Legal Requirements. Palone shall comply will all laws, rules, and regulations pertaining to the Property and to Palone's operations thereon. Palone shall apply for and obtain such permits as may be required by any county, state, federal, or other duly constituted authorities. Palone agrees to indemnify and save harmless PRI for any penalty, fine, or assessment for failure to obtain such permits.

11. Taxes. Palone shall pay (1) all taxes and assessments that may be levied against the buildings, equipment, supplies, and fixtures necessary for the improvements placed on the Property by Palone and (2) all increases in taxes against the Property resulting from the construction of facilities upon or change in use by Palone of the Property.

12. Encumbrances. Palone shall not act nor omit to take any action which could result in encumbrances or liens of any kind or nature whatsoever to be asserted against the Property. The assertion of any lien or encumbrance shall require Palone, within thirty (30) days after receipt of notice of the filing or recording of such lien, either to remove the same from the Property as an encumbrance or to provide a bond to the benefit of PRI in the sum of at least twice the amount of such encumbrance or lien. Upon the provision of satisfactory surety as to such lien amount, Palone may litigate and contest such lien fully. If at the end of thirty (30) days no surety has been provided PRI may pay the lien or encumbrance, and Palone shall immediately reimburse PRI for all funds expended, including, but not limited to, reasonable attorneys' fees and recording costs.

13. Other Structures. Palone acknowledges that PRI has made no representation of the existence or nonexistence of other structures, improvements or pipelines located within or adjacent to the Property, and Palone agrees that it will be solely responsible for, and will repair or replace at its own expense, any and all damage to these structures, improvements or pipelines resulting from Palone's operations.

14. Indemnification. Palone shall fully indemnify and hold PRI, its members, employees, representatives and agents, harmless against any and all loss, damage, injury, claim, suit, judgment, order, fine, penalty, or demand of every kind or nature whatsoever, whether in law or equity arising out of Palone's operations and use of the Lands, including without limitation all costs of defense together with reasonable attorneys' fees therefor, provided, however, said loss does not arise out of or result solely from the actions of PRI, its employees, agents, representatives or contractors. This paragraph and the obligations herein shall survive the termination of this Agreement.

15. Default. If at any time Palone or any of its agents, representatives or contractors have breached any obligation imposed on it under this agreement, PRI shall notify Palone in writing setting out the facts relied upon by PRI as constituting Palone's breach hereof. To the extent reasonably possible, Palone will immediately bring its operations into compliance with this Agreement. As to operations that cannot be immediately brought into compliance, Palone shall not be considered to be in default of its obligation to eliminate or repair such breach if Palone promptly upon its receipt of such notice initiates corrective action and eliminates or remedies such breach within twenty (20) days of receipt of PRI's notice or, if the breach is of a nature that cannot reasonably be cured within such twenty (20) day period, promptly upon its receipt of such notice initiates curative action and thereafter diligently pursues all reasonable efforts to effect such cure. In the event Palone does not cure any breach as provided for herein, PRI shall have the right to, at its election, collect damages or terminate this Agreement.

16. No Partnership. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employment relationship between PRI and

Palone. Neither PRI nor Palone shall be liable, except as otherwise expressly provided in this Agreement, for any obligations or liabilities of the other. Palone expressly agrees to indemnify and hold PRI, and the property of PRI free and harmless from any and all obligations and liabilities incurred by Palone in conducting operations, whether conducted pursuant to this Agreement or otherwise on the Property.

17. Environment. Except as provided herein, Palone shall not commit or permit to be committed any waste upon the Property or permit a nuisance thereon. Furthermore, Palone shall not store (except as necessary for operations) or dispose of or allow to be stored (except as necessary for operations) or disposed of on the Property any hazardous substances (which for purposes of this paragraph shall not be defined to include oil, gas or associated produced water). Palone agrees to comply with all federal, state, and local environmental laws and to reimburse and indemnify and defend PRI from any costs or liabilities incurred by PRI as a result of Palone's breach of this provision. To the extent materials abandoned by Palone on the Property are deemed at any time to be hazardous substances under federal, state, or local law, Palone shall be responsible for removal of such substances and complying with any and all laws or regulations relating thereto.

18. Waiver. The failure of either party to insist upon strict performance of any of the covenants or conditions of this Agreement in any one or more instances shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect.

19. Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be sufficient for all purposes if (i) sent by fax to the fax number set forth below or at such other number as the respective party may designate by notice as provided herein, and concurrently sent by 1st class U.S. mail, (ii) is personally delivered, or (iii) sent by certified or registered U.S. mail, return receipt requested, postage prepaid, and addressed to the respective party at the address set forth below or at such other address as such party may hereafter designate by written notice to the other parties as herein provided.

To PRI: Property Reserve, Inc.,
f/k/a Deseret Title Holding Corporation
Attn: Robert Stanton
50 East North Temple Street
Salt Lake City, Utah 84150-6320
Fax: (801)240-2913

Until a successor representative is designated in writing to Palone, Robert Stanton shall be PRI's Representative for purposes of this Agreement.

To Palone:

Billy Jim Palone
P.O. Box 6
Gillette, Wyoming 82717
Fax:

Notice by mail shall be deemed effective and complete at the time it is received or served. Notice by fax shall be deemed effective and completed at the time the facsimile is sent.

20. Assignment. Palone may sell, transfer or assign all or a portion of its interest in this Agreement provided that the transferee specifically agrees in writing to be bound by this Agreement and PRI consents to such assignment, which consent shall not be unreasonably withheld. PRI may sell, transfer or assign its interest in this Agreement to any successor in interest to the Property or any portion thereof.

21. Miscellaneous Provisions. The parties hereto agree to the following additional provisions:

A. This Agreement is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

B. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah.

C. No modification or variation of this Agreement shall be of any force or effect unless in writing executed by both of the parties hereto.

D. It is expressly stipulated and agreed that time shall be of the essence in this Agreement.

E. PRI and Palone each agree to pay and discharge all reasonable costs and expenses, including attorneys' fees, that shall be made and incurred by the prevailing party in enforcing the covenants and agreements of this Agreement.

F. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and the Agreement shall be construed in all respects as if such invalid provision were omitted.

G. The parties hereto agree to execute such additional documents as may be necessary or desirable to carry out the intent of this Agreement.

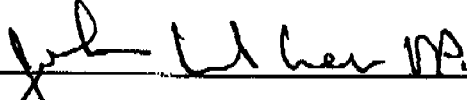
H. The paragraph headings used herein are for the convenience of the parties and shall not be deemed to modify or construe the meaning hereof.

DATED as of the day and year first above written.

PRI:

Property Reserve, Inc., formerly known as
Deseret Title Holding Corporation, a Utah corp.

By



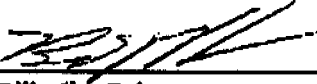
Title:

AUTHORIZED AGENT

Palone:

Billy Jim Palone

By



Billy Jim Palone

Exhibit "A"

Attached to Surface Owners Agreement between Property Reserve, Inc. and Palone Petroleum

Tract No. 1

Township 9 North, Range 7 East, S.L.M.

Section 26:	W2	311.00
Section 27:	All	640.00
Section 34:	E2, E2NW	400.00
Section 35:	All	640.00

Section 36: Beginning at the Southwest corner of Section 36; thence North 2 3/4 degrees East 2698 feet; thence South 89 degrees East to the West boundry line of State Highway; thence South 32 degrees East along said West line 3156 feet more or less, to a point East of beginning; thence West 2210 feet, more or less, to the point of beginning.

84.00

Tract No. 2

Township 8 North, Range 7 East, S.L.M

Section 1: All that portion of Section 1 lying South and West of the Highway. Said highway is described as follows: A parcel of land 100 feet wide, 50 feet on each side of the following described centerline: Beginning at a point approximately 2244 feet East from the Northwest corner of said section; thence South 32 degrees 14 minutes East 1921.6 feet; thence 297.9 feet along the arc of a circle to the left whose radius is 1432.7 feet long; thence South 44 degrees 09 minutes East 2370.5 feet to the East line of said section.

489.86

Section 2:	Lot 4	28.00
Section 3:	Lots 1(28.00), 2(28.00), 3(28.00), 4(28.00), S2N2, S2	592.00
Section 10:	NE, E2NW, NESW, NWSE	320.00
Section 11:	All	640.00
Section 13:	All	640.00

Tract No. 3

Township 8 North, Range 7 East, S.L.M

Section 15:	All	640.00
Section 21:	All	640.00
Section 23:	All	640.00
Section 25:	All	640.00

Tract No. 4

Township 8 North, Range 7 East, S.L.M

Section 27:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
Section 36:	All	640.00

Tract No. 5

Township 8 North, Range 8 East, S.L.M.

Section 31:	Lots 1(39.88), 2(39.90), 3(39.94), 4(39.96), E2W2, E2	639.68
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Township 7 North, Range 7 East, S.L.M.

Section 1:	Lots 1(40.22), 2(40.88), 3(41.12), 4(41.58), S2N2, S2	643.60
Section 2:	Lots 1(41.81), 2(41.84), 3(41.86), 4(41.89), S2NW	247.40
Section 3:	Lots 1(41.77), 2(41.58), 3(41.33), 4(41.11), S2N2, S2	645.79

Tract No. 6

Township 7 North, Range 7 East, S.L.M.

Section 5:	Lots 1(40.59), 2(40.76), 3(40.94), 4(41.11), S2N2, S2	643.40
Section 9:	All	640.00
Section 11:	All	640.00
Section 12:	W2	320.00
Section 13:	All	640.00

Tract No. 7

Township 7 North, Range 7 East, S.L.M.

Section 15:	All	640.00
Section 16:	W2SE	80.00
Section 17:	All	640.00
Section 19:	Lots 1(41.10), 2(41.10), 3(41.10), 4(40.44), E2W2, E2	643.74
Section 21:	All	640.00

Exhibit "A"

Attached to Surface Owners Agreement between Property Reserve, Inc. and Palone Petroleum

Tract No. 8**Township 7 North, Range 7 East, S.L.M.**

Section 23:	All	640.00
Section 25:	All	640.00
Section 26:	W2W2	180.00
Section 27:	All	640.00
Section 29:	All	640.00

Tract No. 9**Township 7 North, Range 7 East, S.L.M.**

Section 31:	Lots 1(39.82), 2(39.88), 3(39.92), 4(39.98), E2W2, E2	639.60
Section 32:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00

Tract No. 10**Township 7 North, Range 8 East, S.L.M.**

Section 7:	Lots 1(43.03), 2(42.45), 3(41.87), 4(41.29), E2W2, E2	648.84
Section 9:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 17:	All	640.00
Section 19:	Lots 1(39.23), 2(38.88), 3(38.53), 4(38.18), E2W2, E2	634.82

Tract No. 11**Township 7 North, Range 8 East, S.L.M.**

Section 21:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 29:	All	640.00
Section 31:	Lots 1(38.95), 2(39.25), 3(39.55), 4(39.85), E2W2, E2	637.60
Section 33:	Lots 1(38.87), 2(39.93), 3(37.97), 4(37.06)	154.83

Tract No. 12**Township 6 North, Range 6 East, S.L.M.**

Section 2:	Lots 1(39.46), 2(39.59), 3(39.71), 4(39.84), S2N2, S2	838.60
Section 12:	All	640.00
Section 14:	All	640.00
Section 22:	All	640.00

Tract No. 13**Township 6 North, Range 6 East, S.L.M.**

Section 24:	All	640.00
Section 26:	All	640.00
Section 28:	N2SE	80.00
Section 32:	All	640.00
Section 34:	N2NE, SENE, W2, SE	600.00

Tract No. 14**Township 6 North, Range 7 East, S.L.M.**

Section 2:	Lots 1(22.77), 2(22.32), 3(21.87), 4(21.42), S2N2, S2	568.38
Section 4:	Lots 1(21.78), 2(26.54), 3(31.40), 4(36.08), S2N2, S2	595.78
Section 6:	Lots 1(40.87), 2(40.62), 3(40.37), 4(43.35), 5(43.06), 6(42.90), 7(42.73), S2NE, SENW, E2SW, SE	653.90
Section 8:	All	640.00

Tract No. 15**Township 6 North, Range 7 East, S.L.M.**

Section 10:	All	640.00
Section 12:	All	640.00
Section 13:	All	640.00
Section 14:	All	640.00

Tract No. 16**Township 6 North, Range 7 East, S.L.M.**

Section 16:	All	640.00
Section 18:	Lots 1(40.11), 2(40.14), 3(40.16), 4(40.19), E2W2, E2	640.60
Section 20:	All	640.00
Section 22:	All	640.00

Tract No. 17**Township 6 North, Range 7 East, S.L.M.**

Section 24:	All	640.00
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Exhibit "A"

Attached to Surface Owners Agreement between Property Reserve, Inc. and Palone Petroleum

Section 25:	All of that portion of Section 25 lying North and West of the Union Pacific Railroad Company Right-of-way.	627.00
Section 26:	All	640.00
Section 28:	All	640.00

Tract No. 18

Township 6 North, Range 6 East, S.L.M.

Section 36:	All	640.00
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Township 6 North, Range 7 East, S.L.M.

Section 30:	Lots 1(39.98), 2(40.10), 3(40.22), 4(40.34), E2W2, E2	640.64
Section 32:	All	640.00
Section 34:	All	640.00

Tract No. 19

Township 6 North, Range 8 East, S.L.M.

Section 4:	Lots 1(30.73), 2(21.10), 3(21.10), 4(21.10), 5(24.67), 6(30.81), 7(36.94)	186.45
Section 6:	Lots 1(29.00), 2(29.00), 3(29.00), 4(29.00), 5(40.00), 6(40.00), 7(40.00), S2NE, SENW, E2SW, SE	598.00
Section 7:	Lots 1(40.17), 2(40.52), 3(40.87), 4(41.22), E2W2, E2	642.78
Section 8:	All	640.00
Section 9:	Lots 1(21.09), 2(21.06), 3(21.03), 4(21.01), W2W2, Less and Except 62.15 acres more or less, as conveyed within that certain Warranty Deed dated February 3, 1999, recorded February 17, 1999 in Book E8 at page 203, with Property Reserve, Inc., a Utah corporation, f/k/a Desert Title Holding Corporation, as Grantor, and Evanston-Uinta County Airport Joint Powers Board, as Grantee.	182.04

Tract No. 20

Township 6 North, Range 7 East, S.L.M.

Section 36:	All of that portion of Section 36 lying North and West of the Union Pacific Railroad Company Right-of-way.	375.00
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Township 6 North, Range 8 East, S.L.M.

Section 16:	All of that portion of Section 16 lying North of the Union Pacific Railroad Company right-of-way.	165.00
Section 17:	All of that portion of Section 17 lying North and West of the Union Pacific Railroad Company right-of-way.	479.00
Section 18:	Lots 1(41.45), 2(41.55), 3(41.65), 4(41.75), E2W2, E2	646.40
Section 19:	All of that portion of Section 19 lying North and West of the Union Pacific Railroad Company right-of-way.	508.00
Section 30:	Lot 1(41.05) and that part of Lot 2 lying North and West of the Union Pacific Railroad Company right-of-way.	65.00

Tract No. 21

Township 5 North, Range 6 East, S.L.M.

Section 12:	All	640.00
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Township 5 North, Range 7 East, S.L.M.

Section 2:	All that part lying North and West of the West Bound Union Pacific Railroad Company right of way	488.32
Section 4:	Lots 1(41.24), 2(41.34), 3(41.42), 4(41.52), S2N2, S2	645.52
Section 6:	Lots 1(41.36), 2(40.98), 3(40.58), 4(40.40), 5(40.40), 6(40.32), 7(40.24), S2NE, SENW, E2SW, SE	644.28
Section 8:	All	640.00
Section 10:	N2NW	80.00
Section 18:	Lots 1(39.97), 2(39.93), 3(39.88), N2NE, SWNE, E2NW, NESW	359.78



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

August 15, 2001

Fat Chance Oil & Gas, LLC
PO Box 7370
Sheridan, WY 82801

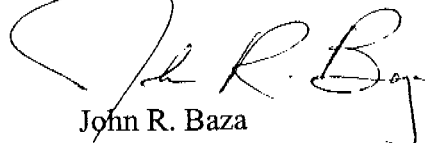
Re: Suttons 4-12 Well, 748' FNL, 631' FWL, NW NW, Sec. 12, T. 6 North, R. 7 East,
Rich County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-033-30058.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Rich County Assessor

Operator: Fat Chance Oil & Gas, LLC
Well Name & Number Suttons 4-12
API Number: 43-033-30058
Lease: FEE
Location: NW NW Sec. 12 T. 6 North R. 7 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

6. Production casing shall be cemented 100' minimum above the top of the Frontier coals and furthermore 100' minimum above any producing formations encountered while drilling and 100' minimum above any core tested.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: FAT CHANCE OIL & GAS COMPANY

Well Name: SUTTON 4-12

Api No. 43-033-30058 LEASE TYPE: FEE

Section 12 Township 06N Range 07E County RICH

Drilling Contractor TRUE DRILLING COMPANY RIG # 4

SPUDDED:

Date 09/21/2001

Time 1:00 PM

How ROTARY

Drilling will commence

Reported by CASEY OSBORN

Telephone # 1-307-673-1500

Date 09/21/2001 Signed: CHD

CONFIDENTIALSTATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Fat Chance Oil and Gas, LLC Operator Account Number: N 1395
Address: PO Box 7370
city Sheridan
state WY zip 82801 Phone Number: (307) 673-1500

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-033-30058	Suttons 4-12	NWN	12	6N	7E	Rich
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	13286	9/20/2001	9/24/01	9/20/2001	
Comments: 9-24-01						

Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Lorna James

Name (Please Print)

Signature

Administrative Assistant

Title

9/21/2001

Date

SEP 24 2001

DIVISION OF
OIL, GAS AND MINING

DOUBLE JACK TESTING & SERVICES, INC.

Phone (307) 789-9213

B.O.P TEST REPORT

B.O.P. TEST PERFORMED ON (DATE) 9/23/01

OIL COMPANY Quarteco

WELL NAME & NUMBER Suttons 4-12

SECTION 12

TOWNSHIP 6N

RANGE 7E

COUNTY & STATE Rich. Utah

DRILLING CONTRACTOR True Drilling #4

OIL COMPANY SITE REPRESENTATIVE Jim Jenkins

RIG TOOL PUSHER

TESTED OUT OF Evanston, Wyoming

NOTIFIED PRIOR TO TEST

COPIES OF THIS TEST REPORT SENT TO: Utah Division of Oil, Gas

Quarteco - Jim Jenkins

True Drilling

ORIGINAL CHART & TEST REPORT ON FILE AT:

DOUBLE JACK TESTING & SERVICES, INC.

PO BOX 2097

EVANSTON, WY 82930

TESTED BY: Don Bonner

RECEIVED

OCT 03 2001

DIVISION OF
OIL, GAS AND MINING

Double Jack Testing & Services Inc.

FIELD TICKET
No 17766

Accounting Office: P.O. Box 516 Shoshoni, WY 82649 • (307) 876-9390

Field Operations: Shoshoni, WY (307) 876-2308
Evanston, WY (307) 789-9213
Rock Springs, WY (307) 382-4020
Big Piney, WY (307) 276-5265
Vernal, UT (435) 781-0448

DATE 4-23-01

☐ OPERATOR Quanecc☐ CONTRACTOR True DRUG #4WELL NAME SUTTONS

COUNTY

Rich

STATE

UT

SECTION

12

TOWNSHIP

6N

RANGE

7E**Items Tested:**

LOW TEST PSI

TIME HELD

MINUTES

HIGHEST PSI

TIME HELD

MINUTES

Top Pipe Rams

Bottom Pipe Rams

Blind Rams

Annular B.O.P.

Choke Manifold

Choke Line

Kill Line

Super Choke

Upper Kelly

Lower Kelly

Floor Valve

Dart Valve

Casing

Closing Unit PSI 2900Closing Time of Rams 5 secClosing Time of Annular 8 secClosed Casing Head Valve YES

Set Wear Sleeve

COMMENTS**ADDITIONAL TESTS & COMMENTS****CHARGES**TEST PLUG 10" E-22TOP SUB. 4 1/2 X 0KELLY SUB. 4 1/2 X 0X-OVER SUB. 4 1/2 IF

OTHER

25.0050.0050.0080.00**QUANTITY RATES**2 hrs.

UNIT RATES

5

ADDITIONAL

20

MILEAGE

METHANOL

OTHER

Get up charge for 2107 test unit 12pm to 7pmover set charge 60.00 permound trip @ 1.50 per mile1000.00300.0030.00DON BONNER

TESTED BY

1413SUBTOTAL 1555.00

TAX

TOTAL

PURCHASE ORDER #

COMPANY REPRESENTATIVE

DOUBLE JACK TESTING UNIT NUMBER

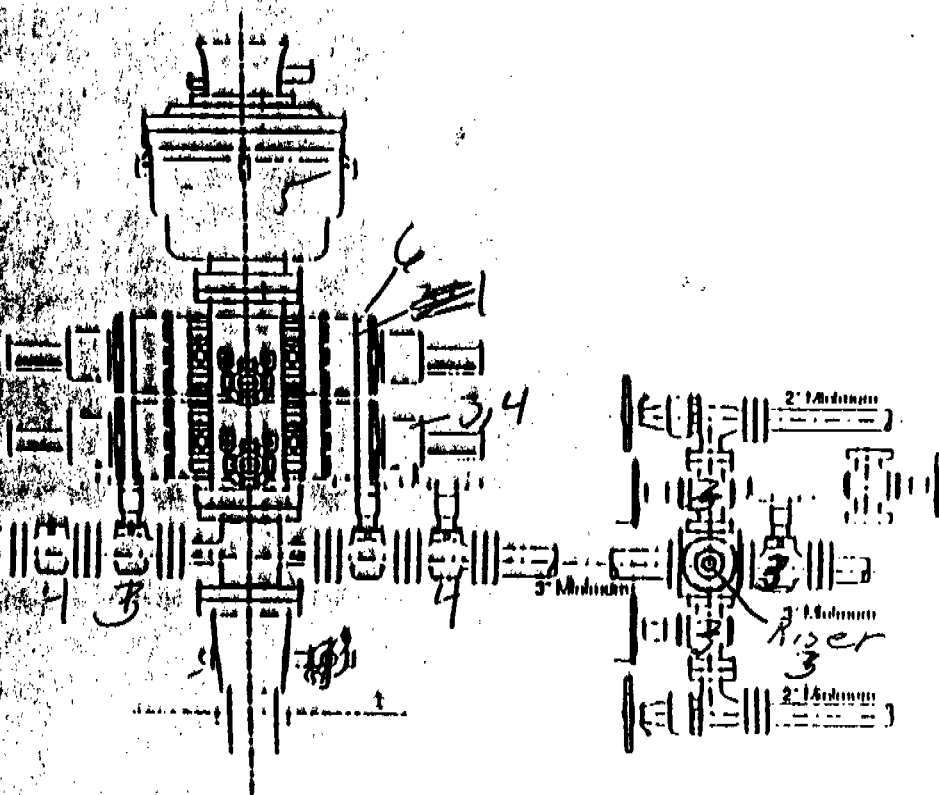
NOTICE TO ALL CUSTOMERS

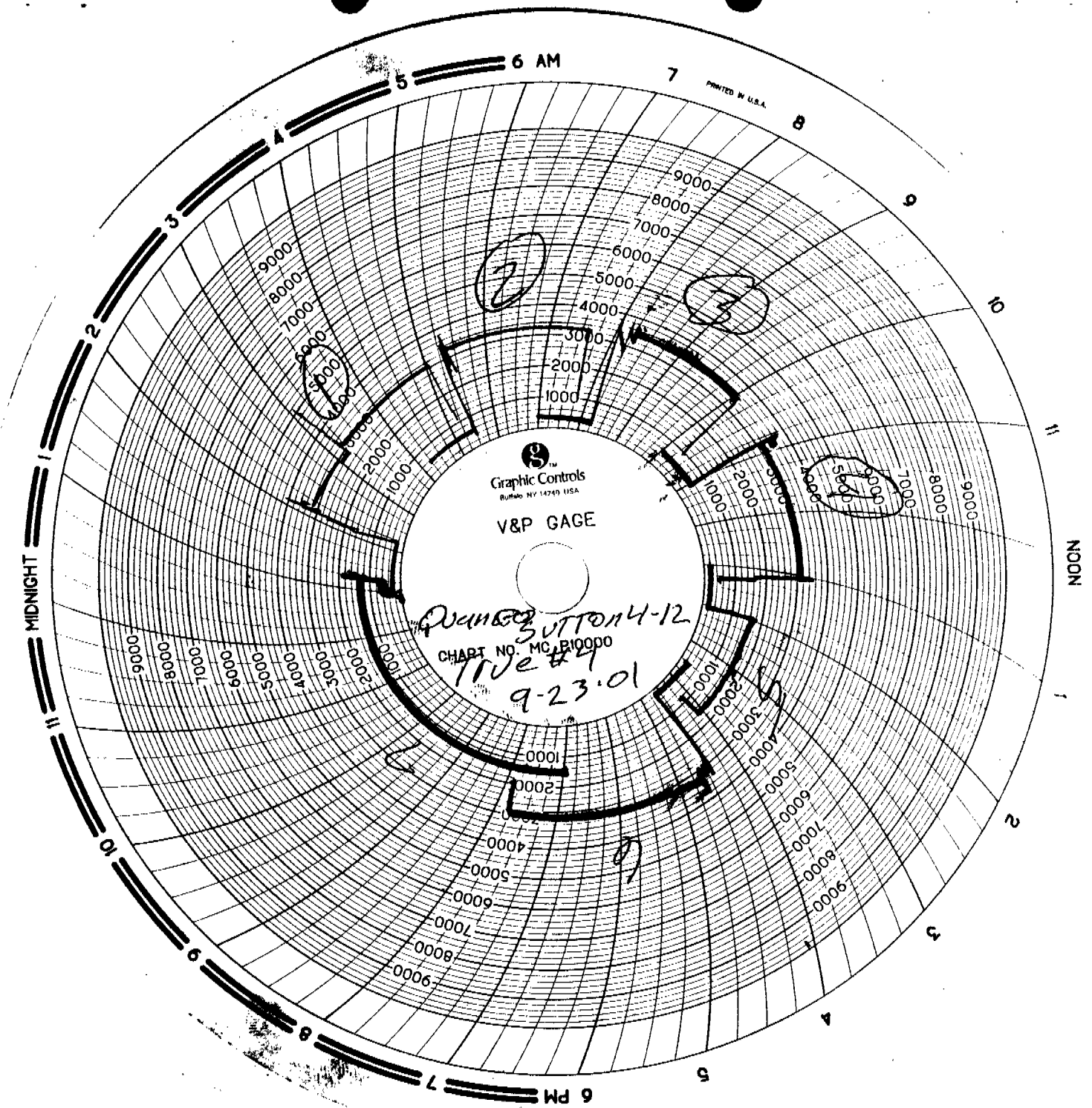
If this account shall not be paid when due and it is placed with an attorney for collection, or if suit be instituted for collection, the undersigned agree(s) to pay in either case, reasonable expense of collection including attorney's fees and court cost in compliance with TRUTH IN LENDING AND THE UNIFORM CONSUMER CREDIT CODE, the following information disclosure, under the terms of our regular accounts, all amounts for service due and payable within THIRTY (30) DAYS from the receipt of an invoice for such services. A LATE CHARGE will be assessed when accounts are not paid when due. THE LATE CHARGE is computed by a "periodic rate" 1-3/4% PER MONTH which is an ANNUAL PERCENTAGE RATE OF 21% to the previous balance in the account on the billing date. No further credit can be extended on unpaid delinquent accounts until the delinquent account is paid in full. The contractor will not be held liable for damages caused by acts of God, or unforeseen circumstances that could not be reasonably anticipated in performing the work done as set forth above.

COMPANY	LEASE & WELL NAME	TEST DATE	RIG# & NAME
Quanco	Suttons 4-12	9-23-01	True #4
TEST #	TIME	ITEMS TESTED	
1	6:30	TIW Valve	
2	6:50	UPPER Kelly	
3	8:02	Pipe Ram, outside manifold valves 1 st kill DWT Rise	
4	8:25	Pipe Ram manual check check valve DWT	
5	8:55	ANV	
6	9:55	Blind Rams	
7	10:57	Casing	
			Function Test
			ANN 2400 - 2000 8
			PIPE 2000 - 1650 4
			Blinds 1650 1500 350
			Drop 900 PSI
			Recharge
			3 min 42 SCL

Kelly Valve 2

Flood Valve 1





CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY

Sheridan

STATE

WY

ZIP

82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 6N 7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Weekly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Drilling at 3003'. Evaluating Frontier coals.

RECEIVED

OCT 09 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Loma James

TITLE Administrative Assistant

SIGNATURE

DATE

9-28-01

(This space for State use only)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☐ OTHER: Weekly Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Evaluating Bear River Interval

RECEIVED

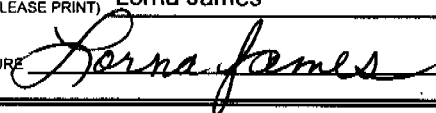
OCT 09 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE



DATE 10/3/2001

(This space for State use only)

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330058
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Rich

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Evaluating Bear River Interval

RECEIVED

OCT 18 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

10-10-01

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY

Sheridan

STATE

WY

ZIP

82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER: Weekly Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Evaluating Frontier interval.

NAME (PLEASE PRINT) Loma James

TITLE Administrative Assistant

SIGNATURE

Loma James

DATE

10-24-01

(This space for State use only)

RECEIVED

NOV 02 2001

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Evaluating Frontier interval.

RECEIVED

NOV 06 2001

DIVISION OF
OIL, GAS AND MININGNAME (PLEASE PRINT) Lorna JamesTITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

11-1-01

(This space for State use only)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 ⁶ T8N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until further notice

RECEIVED

NOV 19 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>11/13/2001</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 ⁶T8N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: Weekly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until further notice

RECEIVED

DEC 17 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

12-11-01

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY

Sheridan

STATE

WY

ZIP

82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T⁶₁N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JAN 11 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

1-4-02

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/12 16N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

FEB 13 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE <i>Lorna James</i>	DATE 2-7-02

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T⁶₈N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

MAR 11 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

3-5-02

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 ^{6N} T8N R7E S		9. API NUMBER: 4303330058
PHONE NUMBER: (307) 673-1500		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: Rich

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE Lorna James DATE 4-8-02

(This space for State use only)

RECEIVED

APR 12 2002

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T8N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

TYPE OF ACTION

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☒ OTHER: Monthly Report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

5-7-02

(This space for State use only)

RECEIVED

MAY 10 2002

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
5. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 ^{6N} 10N R7E S		9. API NUMBER: 4303330058
6. COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
7. STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JUN 10 2002

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE <i>Lorna James</i>	DATE 6-6-02

(This space for State use only)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Lease signs erected in order to comply with regulations.

RECEIVED

JUN 17 2002

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) <u>Bill Courtney</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u>Bill Courtney</u>	DATE <u>6/13/2002</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Suttons 4-12

9. API NUMBER:
4303330058

10. FIELD AND POOL, OR WILDCAT:
Wildcat

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 ^{6N} 18N R7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JUL 08 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

7-3-02

(This space for State use only)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Suttons 4-129. API NUMBER:
430333005810. FIELD AND POOL, OR WILDCAT:
Wildcat1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing should be complete by the end of September 2002. As approved, reporting on monthly basis until the end of September 2002.

TIGHT HOLE

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

8-5-02

(This space for State use only)

RECEIVED
AUG 09 2002
DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Suttons 4-12
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		9. API NUMBER: 4303330058
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing should be complete by the end of September 2002. As approved, reporting on monthly basis until the end of September 2002.

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE *Lorna James* DATE 9-6-02

(This space for State use only)

RECEIVED

SEP 10 2002

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Monthly report

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing was extended and should be complete by the end of December 2002. As approved, reporting on a monthly basis until the end of December 2002

RECEIVED

OCT 11 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

10-9-02

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY

Sheridan

STATE

WY

ZIP

82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
Approximate date work will start:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
_____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
Date of work completion:	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
_____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing was extended and should be complete by the end of December 2002. As approved, reporting on a monthly basis until the end of December 2002

RECEIVED

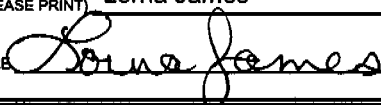
NOV 18 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE



DATE

11-11-02

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing was extended and should be complete by the end of December 2002. As approved, reporting on a monthly basis until the end of December 2002

RECEIVED

DEC 11 2002

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>12-9-02</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
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5. PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330058
6. COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
7. STATE: UTAH		

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<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing was extended and should be complete by the end of March 2003. As approved, reporting on a monthly basis until then.

RECEIVED
JAN 21 2003
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE <i>Lorna James</i>	DATE 1-14-03

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Suttons 4-12

9. API NUMBER:
4303330058

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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Well shut in until testing of other well (Murphy Ridge 1-32) is complete. Testing was extended and should be complete by the end of March 2003. As approved, reporting on a monthly basis until then.

RECEIVED

FEB 07 2003

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

2-5-03

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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RECEIVED

MAR 13 2003

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE <i>Lorna James</i>	DATE 3-11-03

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in pending testing of other well (Murphy Ridge 1-32). As approved, reporting on a monthly basis.

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

4-30-03

(This space for State use only)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

5-19-03

(This space for State use only)

RECEIVED
MAY 27 2003
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

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7. COUNTY: Rich		8. STATE: UTAH

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Well shut in pending testing of other well (Murphy Ridge 1-32). As approved, reporting on a monthly basis.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>Lorna James</u>	DATE <u>6-16-03</u>

(This space for State use only)

RECEIVED

JUN 20 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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PHONE NUMBER:
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COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:

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8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

CONFIDENTIAL

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TYPE OF SUBMISSION	TYPE OF ACTION			
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	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in pending testing of other well (Murphy Ridge 1-32). As approved, reporting on a monthly basis.

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

8-6-03

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DIV. OF OIL, GAS & MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒OTHER ☐

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY

Sheridan

STATE

WY

ZIP

82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNI 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Completion Details
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

9 5/8" H40 STC 32# @ 450'

7" J-55 LTC 23# @ 4092'

100 sacks 50/50 poz, 6%D20, 2%S1, .25 pps D29; 100 sacks Class G, 2% S1, .25 pps D29; 200 sacks Class G, 2% S1

PBTD: 4012'

275 sks 50/50 Poz, 1/4 flocele, halad 322, 7/10 2% gel - 3 pounds/sack silicate 0.15% veraset

3403' - 3405'

3423' - 3428'

3442' - 3449'

3451' - 3455'

3460' - 3463'

3481' - 3483'

3487' - 3492'

3496' - 3499'

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE



DATE 8/13/2003

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNI 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330058
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		
STATE: UTAH		


11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	


12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

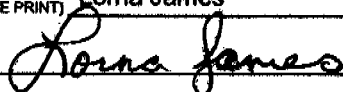
Please change the Operator to:

Quaneco, LLC
PO Box 7370
Sheridan WY 82801

Effective: July 19, 2003
Bond# 885588C


Fat Chance Oil & Gas, LLC
Casey Osborn


Quaneco, LLC
Casey Osborn

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE 	DATE 8/13/2003

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DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH

2. CDW

3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

7/19/2003

FROM: (Old Operator):	TO: (New Operator):
N1395 - Fat Chance Oil & Gas, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500	N2495 - Quaneco, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
COALVILLE 9-3	03	020N	050E	4304330322		Fee	GW	APD	C
COALVILLE 12-3	03	020N	050E	4304330323		Fee	GW	APD	C
SUTTONS 4-12	12	060N	070E	4303330058	13286	Fee	GW	S	C
CRANE 4-4	04	060N	080E	4303330049	13056	Fee	GW	S	C
CRANE 12-4	04	060N	080E	4303330050	13057	Fee	GW	S	C
CRANE 13-6	06	060N	080E	4303330054		Fee	GW	APD	C
CRANE 6-7	07	060N	080E	4303330053		Fee	GW	APD	C
CRANE 13-8	08	060N	080E	4303330052	13093	Fee	GW	S	C
CRANE 13-18	18	060N	080E	4303330055		Fee	GW	APD	C
STACEY HOLLOW 14-35	35	070N	070E	4303330056	13104	Fee	GW	S	C
SIMS 13-33	33	070N	080E	4303330051		Fee	GW	APD	C
NEPONSET 4-35	35	080N	070E	4303330048		Fee	GW	APD	C
MURPHY RIDGE 1-32	32	080N	080E	4303330045	12970	State	GW	S	C
MURPHY RIDGE 7-32	32	080N	080E	4303330046		State	GW	APD	C
CRAWFORD 4-25	25	090N	070E	4303330065		Fee	GW	APD	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/25/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/25/2003
3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/25/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 4743368-0161
5. If **NO**, the operator was contacted on: _____

6. (R649-9-2) Waste Management Plan has been received on: _____

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases or N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/31/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2003
3. Bond information entered in RBDMS on: 10/31/2003
4. Fee wells attached to bond in RBDMS on: 10/31/2003

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 885708C

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 885588C
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/30/2003

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		8. WELL NAME and NUMBER: Suttons 4-12
PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330058
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Rich
		STATE: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in pending testing of other well (Murphy Ridge 1-32). As approved, reporting on a monthly basis.

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE <i>Lorna James</i>	DATE 10-14-03

(This space for State use only)

OCT 20 2003
DIV OF OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Suttons 4-12
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
		10. FIELD AND POOL, OR WILDCAT: Wildcat
		COUNTY: Rich
		STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Well shut in pending testing of other well (Murphy Ridge 1-32). As approved, reporting on a monthly basis.

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

9-15-03

(This space for State use only)

RECEIVED

OCT 20 2003

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER _____

b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER _____

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (887) 673-1500

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 748' FNL 631' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW: same as above
AT TOTAL DEPTH: same as above

PERIOD EXPIRED ON 11-3-02

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Suttons 4-12

9. API NUMBER:
4303330058

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NWNW 12 T6N R7E S

12. COUNTY Rich 13. STATE UTAH

14. DATE SPUNDED: 9/15/2001 15. DATE T.D. REACHED: 9/29/2001 16. DATE COMPLETED: 10/3/2001 ABANDONED ☐ READY TO PRODUCE ☒

17. ELEVATIONS (DF, RKB, RT, GL): 6860 DF

18. TOTAL DEPTH: MD 4,110 TVD 4,110 19. PLUG BACK T.D.: MD 4,012 TVD 4,012 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each):
YH - Rec 11-6-01 HDI/GR/CAL, C2DEN/CN/
CBL - Rec 11-10-03 Rec 10-18-01 GR/YCAL, ACOUSTIC LOG

23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4	9 5/8 K55	36#	0	453		50/50 100		surface	
						POZ			
8 3/4	7 J55	23#	0	4,092		Glass G 300		3150 CBL	
						50/50 275			
						POZ			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	3,383							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Frontier	1,453	3,572	1,453	3,572	3,403 3,499	.40	128	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
3403 - 3499	50000# 20/40, 12000# 16/30, N2 Foam

RECEIVED OCT 28 2003 DIV. OF OIL, GAS & MINING

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY

☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS: Shut In

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
						400	Swab
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Adaville			See Mud Logs		
Unconformity	1,453				
Frontier	1,453	3,572			
Aspen	3,572	3,888			
Bear River	3,888	4,100			
Kelvin	4,100	4,110			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Casey Osborn

TITLE Operations Manager

SIGNATURE

DATE 10/22/2003

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

QUEST OPERATIONS, LLC. COMPLETION & WORKOVER DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/24/2001
CONTRACTOR: Key 373

KB: 12'
PBDT: 4012' Loggers depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

DAILY COST: \$70,436.00

CUM COST OF COMPLETION: \$136,498.00

AFE CUM COST: \$594,766.96

DAILY LOG:

RU BJ Services to foam frac perms 3403' - 3499' down casing. Average pressure 3860#. Maximum pressure 3880#. 10.7 BPM average with fluid. Nitrogen rate 14,000; 20,000 SCFM - ISIP 3380#; 5M 3100#; 10M 2960#; 15M 2830#; 20M 2760#. 368 bbls. fluid left to recover. Start flowback through 8/64 choke @ 1pm - pressure @ 2525#. Flowback well for 4 hours. pressure @ 120#. Choke on 20/64. Recovered frac fluid and nitrogen. Gradually opened choke from 8/64 to 20/64 over the 4 hours. Flow testers watching well overnight.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG			\$16,085.00
BOP	Weatherford		\$9,078.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool		\$5,307.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE		\$67,342.00	\$67,342.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE			\$9,618.00
PERFORATING			
FLUIDS	Mtn States water	\$594.00	\$2,726.00
SUPERVISION w/ EXPENSES		\$850.00	\$8,725.00
FLOW TEST	Mtn States	\$1,000.00	\$1,000.00
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	RFR 1 tank 5 day minimum		\$472.00
OTHER	Sherwood Anchors		\$1,261.00
QUANECO OH		\$500.00	\$4,000.00
TRUCKING			\$9,245.00
OTHER	AmeriKan		\$150.00
OTHER	Wilson Supply	\$150.00	\$222.00
DAILY TOTAL		\$70,436.00	
PREVIOUS TOTAL		\$66,062.00	
CUMULATIVE TOTAL			\$136,498.00

QUEST OPERATIONS, LLC. COMPLETION & WORKOVER DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/25/2001
CONTRACTOR: Key 143

KB: 12'
PBD: 4012' Loggers depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

DAILY COST: \$7,445.00

CUM COST OF COMPLETION: \$143,943.00

AFE CUM COST: \$602,211.96

DAILY LOG:

Flowed well overnight. Well gradually died. Recovered approximately 50 bbls. frac fluid. 318 bbls. left to recover. MIRUSU Key #143. Spot tank, pump and catwalk. Too windy to raise derrick. Wait on wind. Lay pump and swab lines. Well making a small amount of foamy frac fluid and nitrogen. Left well open to pit on 3/4" choke.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #143	\$3,400.00	\$19,485.00
BOP	Weatherford		\$9,078.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool		\$5,307.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			\$67,342.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE			\$9,618.00
PERFORATING			
FLUIDS	Mtn States water		\$2,726.00
SUPERVISION w/ EXPENSES		\$850.00	\$9,575.00
FLOW TEST	Mtn States		\$1,000.00
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	RFR 1 tank 5 day minimum		\$472.00
OTHER	Sherwood Anchors		\$1,261.00
QUANECO OH		\$500.00	\$4,500.00
TRUCKING	CD Miller	\$2,695.00	\$11,940.00
OTHER	AmeriKan		\$150.00
OTHER	Wilson Supply		\$222.00
DAILY TOTAL		\$7,445.00	
PREVIOUS TOTAL		\$136,498.00	
CUMULATIVE TOTAL			\$143,943.00

QUEST OPERATIONS, LLC. COMPLETION & WORKOVER DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/26/2001
CONTRACTOR: Key 143

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

KB: 12'
PBTD: 4012' Loggers depth Sandfill @ 4007'
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

DAILY COST: \$5,579.00

CUM COST OF COMPLETION: \$149,522.00

AFE CUM COST: \$607,790.96

DAILY LOG:

Still slight blow on well this morning. Raise derrick and finish RU. PU 2 7/8" tubing with 2 7/8" notch collar; 1 jt. 2 7/8" ; 2.313" XN nipple. Tag bottom @ 4007'. Lay down 4 jts. and stand 14 jts in derrick. Total 111 jts. of 2 7/8" tubing in hole. Bottom 2 7/8" notch collar @ 3473'. 2.313" XN nipple @ 3441'. Rig to swab. Make 3 runs with swab to XN nipple @ 3441'. No fluid or gas recovery. SWI. SDFN.

110 jts 2 7/8" J-55 8rd	3435.94
1 - 2 7/8"x 2.313 XN nipple	1.10
1jt 2 7/8" J55 8rd	30.36
1 - 2 7/8" 8rd notch collar	.42
KB used	5.00
Bottom NC @	3472.82

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #143	\$4,229.00	\$23,714.00
BOP	Weatherford		\$9,078.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool		\$5,307.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			\$67,342.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE			\$9,618.00
PERFORATING			
FLUIDS	Mtn States water		\$2,726.00
SUPERVISION w/ EXPENSES		\$850.00	\$10,425.00
FLOW TEST	Mtn States		\$1,000.00
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	RFR 1 tank 5 day minimum		\$472.00
OTHER	Sherwood Anchors		\$1,261.00
QUANECO OH		\$500.00	\$5,000.00
TRUCKING	CD Miller		\$11,940.00
OTHER	AmeriKan		\$150.00
OTHER	Wilson Supply		\$222.00
DAILY TOTAL		\$5,579.00	
PREVIOUS TOTAL		\$143,943.00	
CUMULATIVE TOTAL			\$149,522.00

QUEST OPERATIONS, LLC. COMPLETION & WORKOVER DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/28/2001
CONTRACTOR: Key 143

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

KB: 12'
PBTD: 4012' Loggers depth Sandfill @ 4007'
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

DAILY COST: \$10,984.00 CUM COST OF COMPLETION: \$160,506.00 AFE CUM COST: \$618,774.96

DAILY LOG:

Zero # on casing. 19# on tubing. RIH with swab to XN nipple @ 3441'. Recovered 20' fluid. Rig Mountain States and pump 50 bbls. city water down tubing. Swab. Fluid @ 2100'. Recover 40 bbls. Swabbed off. Wait one hour. Recover 1 bbl. fluid. Approximately 318 bbls. load fluid left to recover. RD swab. TIH and lay down total 23 jts. 2 7/8" tubing. ND BOP and land tubing as below. 2.313 XN nipple @ 3351.26'. Bottom notch collar @ 3383.24. Break out equipment - pump and lines - RD. Released rig, tanks, and all rental equipment. SWI.

TUBING ASSY:

2 7/8" EVE 8rd notch collar .42
1 jt 2 7/8" J-55 EVE 8rd tubing 30.46
1 - 2.313 XN nipple 50xx PIN 2 7/8" 1.10
107 jts 2 7/8" EVE 8rd J55 tubing 3341.26
NET 3373.24

FINAL REPORT

KB used 10.00 Bottom of tubing @ 3383.24 XN nipple @ 3351.26

DAILY COST:

			DAILY COSTS	CUM COSTS
SERVICE RIG	RELEASED	Key #143	\$4,734.00	\$28,448.00
BOP		Weatherford		\$9,078.00
RENTAL SERVICE TOOLS (DOWNHOLE)		Baker Oil Tool		\$5,307.00
DOWNHOLE TOOLS (PURCHASE)				
TUBULARS				
STIMULATION SERVICE				\$67,342.00
SNUBBING SERVICE				
ELECTRICIAN				
SLICK LINE				
ELECTRIC LINE				\$9,618.00
PERFORATING				
FLUIDS	Mtn States	water	\$285.00	\$3,011.00
SUPERVISION w/ EXPENSES			\$1,975.00	\$12,400.00
FLOW TEST	Mtn States			\$1,000.00
RENTAL EQUIPMENT (SURFACE)	Forklift/toilet released		\$150.00	\$475.00
OTHER	Vetco Gray cut casing/install wellhead			\$942.00
TANKS	RFR 1 tank Move tanks to RFR yard		\$340.00	\$812.00
OTHER	Sherwood Anchors			\$1,261.00
QUANECO OH			\$500.00	\$5,500.00
TRUCKING	CD Miller Move out Key rig		\$3,000.00	\$14,940.00
OTHER	AmeriKan			\$150.00
OTHER	Wilson Supply			\$222.00
DAILY TOTAL			\$10,984.00	
PREVIOUS TOTAL			\$149,522.00	
CUMULATIVE TOTAL				\$160,506.00

QUANECO, INC.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: Buttons 4-12
 DATE: 10/9/2001
 CONTRACTOR: 0

KB: 12'
 PBSD: 4012' Loggers Depth
 GRADED ELEVATION: 6859' GR
 LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
 7" J-55 LTC 23# @ 4092'

DRILLING COST: \$458,268.96

DAILY COST: \$9,266.00

CUM COST OF COMPLETION: \$9,266.00

AFE CUM COST: \$467,534.96

DAILY LOG:

10-7-01 & 10-8-01 Installing 5K wellhead from Stacey Hollow 14-35. RU Computalog & run cement bond log & collar log from 4008' - 2950'. Top of cement @ approximately 3160' +/- Run compensated Neutron Gamma Ray log from 4008' to 440'. RD Computalog. Installed deadman anchors.

DAILY COST:

SERVICE RIG

BOP

RENTAL SERVICE TOOLS (DOWNHOLE)

DOWNHOLE TOOLS (PURCHASE)

TUBULARS

STIMULATION SERVICE

SNUBBING SERVICE

N2 SERVICE

SLICK LINE

ELECTRIC LINE

PERFORATING

FLUIDS

SUPERVISION w/ EXPENSES

2 day

FLOW TEST

RENTAL EQUIPMENT (SURFACE)

Backhoe

TANKS

Vetco Gray

OTHER

Sherwood anchors

QUANECO OH

DAILY COSTS

CUM COSTS

\$5,128.00

\$5,128.00

\$1,925.00

\$1,925.00

\$200.00

\$200.00

\$252.00

\$252.00

\$1,261.00

\$1,261.00

\$500.00

\$500.00

\$9,266.00

DAILY TOTAL

\$0.00

PREVIOUS TOTAL

CUMULATIVE TOTAL

\$9,266.00

LEASE: Suttons 4-12
DATE: 10/10/2001
CONTRACTOR: Key 373

KB: 12'
PBTD: 4012' Loggers Depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location
DRILLING COST: \$458,268.96

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

DAILY COST: \$11,617.00	CUM COST OF COMPLETION: \$20,883.00	AFE CUM COST: \$479,151.96
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DAILY LOG:

Vetco Gray cut off 7" casing and installed and tested 11" x 3000# x 7 1/16" x 5000# FMC head from Stacey Hollow 14-35. MIRU Key 373. CDM Trucking moved in and spotted mud tank, pump and side equipment. NU Weatherford BOP and install rig floor. Tally 52 jts. 2 7/8" tubing with Baker 7" casing scraper and 6 1/8" bit. SDFN

DAILY COST:

	DAILY COSTS	CUM COSTS
SERVICE RIG	\$3,780.00	\$3,780.00
BOP	\$350.00	\$350.00
RENTAL SERVICE TOOLS (DOWNHOLE) Baker 7" csg. Scraper	\$650.00	\$650.00
DOWNHOLE TOOLS (PURCHASE)		
TUBULARS		
STIMULATION SERVICE		
SNUBBING SERVICE		
N2 SERVICE		
SLICK LINE		
ELECTRIC LINE		\$5,128.00
PERFORATING		
FLUIDS Mtn States	\$198.00	\$198.00
SUPERVISION w/ EXPENSES	\$800.00	\$2,725.00
FLOW TEST		
RENTAL EQUIPMENT (SURFACE) Backhoe	\$125.00	\$325.00
OTHER Vetco Gray cut casing/install wellhead	\$942.00	\$942.00
TANKS Vetco Gray		\$252.00
OTHER Sherwood anchors		\$1,261.00
QUANECO OH	\$500.00	\$1,000.00
TRUCKING CDM	\$4,272.00	\$4,272.00
DAILY TOTAL	\$11,617.00	
PREVIOUS TOTAL	\$9,266.00	
CUMULATIVE TOTAL		\$20,883.00

LEASE: Buttons 4-12
DATE: 10/11/2001
CONTRACTOR: Key 373

KB: 12'
PBTD: 4012' Loggers Depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

DAILY COST: \$8,459.00	CUM COST OF COMPLETION: \$29,342.00	AFE CUM COST: \$487,610.96
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DAILY LOG:

PU and single in hole with 2 7/8" tubing, 7" Baker casing scraper and 6 1/8" bit. Tag bottom @ 4025'. Pull bit to 4000'. Rig pump and lines. Test casing and BOP to 3500#. Held ok. RU and swab fluid down to 3000'. Lay down swab. Lay down total 18 jts. 2 7/8" tubing. TOOH with 2 7/8" tubing, scraper and bit. SDFN.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG		\$3,398.00	\$7,178.00
BOP		\$3,500.00	\$3,850.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker 7" csg. Scraper		\$650.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			
SNUBBING SERVICE			
N2 SERVICE			
SLICK LINE			
ELECTRIC LINE			\$5,128.00
PERFORATING			
FLUIDS	Mtn States	\$261.00	\$459.00
SUPERVISION w/ EXPENSES		\$800.00	\$3,525.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	Vetco Gray		\$252.00
OTHER	Sherwood anchors		\$1,261.00
QUANECO OH		\$500.00	\$1,500.00
TRUCKING	CDM		\$4,272.00
DAILY TOTAL		\$8,459.00	
PREVIOUS TOTAL		\$20,883.00	
CUMULATIVE TOTAL			\$29,342.00

QUANECO, INC.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/12/2001
CONTRACTOR: Key 373

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
 7" J-55 LTC 23# @ 4092'

KB: 12'
PBTD: 4012' Loggers Depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

DAILY COST: \$13,152.00 **CUM COST OF COMPLETION:** \$42,494.00 **AFE CUM COST:** \$500,762.96

DAILY LOG:

RU Computalog and perforate intervals 4SPF @ 90 degree phasing with 4" hollow steel carrier & 23 gram charge: 3403' - 3405'; 3423' - 3428'; 3442' - 3449'; 3451' - 3455'; 3460' - 3463'; 3481' - 3483'; 3487' - 3492'; 3496' - 3499' - total 128 holes.

PU and TIH with Baker 7" RBP, 7" packer, 2.313 XN nipple and 2 7/8" tubing. Set RBP @ 3535' COR - packer 3370'. Swab all perfs. Recovered 300' fluid 1st run. Dry to packer 2nd run. TIH with packer to 3500'. Spot 30 bbls. 2% KCL down tubing. Reset packer @ 3465'; RBP @ 3535'. Break perfs 3481' - 3499; 2200 PSI - Perfs broke. Full communication uphole. Reset packer @ 3408'. Broke perfs 3423 thru 3499. Broke perfs @ 2400#. Pump 15 bbls @ 2700 PSI @ 3BPM. ISIP 2100#; 5M 1800#; 10M 1725#; 15M 1675#. Release packer. TIH. Reset RBP @ 3408'; packer @ 3370'. Broke perfs 3403-05, broke @ 3200#. Pump 5 bbls. Pressure @ 3700# @ 3/4BPM. ISIP 3200#; 5M 2150#; 10M 1950#; 15M 1800#. Total fluid pumped into perfs 20+ bbls. Total pumped downhole 70 bbls. Reset RBP @ 3535, packer @ 3320', 2.313 XNN @ 3365'. Rig to swab. IFL @ 900'. Recovered 20 bbls in 1 hour. Dry to packer @ 3370'. Wait 1.2 hour recover 50' water. SWI. SDFN

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key 373	\$3,559.00	\$10,737.00
BOP		\$350.00	\$4,200.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool	\$3,320.00	\$3,970.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			
SNUBBING SERVICE			
N2 SERVICE			
SLICK LINE			
ELECTRIC LINE	Computalog	\$3,830.00	\$8,958.00
PERFORATING			
FLUIDS	Mtn States Empty tank and 2% KCL	\$793.00	\$1,252.00
SUPERVISION w/ EXPENSES		\$800.00	\$4,325.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	Vetco Gray		\$252.00
OTHER	Sherwood anchors		\$1,261.00
QUANECO OH		\$500.00	\$2,000.00
TRUCKING	CDM		\$4,272.00
DAILY TOTAL		\$13,152.00	
PREVIOUS TOTAL		\$29,342.00	
CUMULATIVE TOTAL			\$42,494.00

QUANECO, INC.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: Suttons 4-12
DATE: 10/13/2001
CONTRACTOR: Key 373

KB: 12'
PBTD: 4012' Loggers Depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
 7" J-55 LTC 23# @ 4092'

DAILY COST: \$7,532.00 **CUM COST OF COMPLETION:** \$50,026.00 **AFE CUM COST:** \$508,294.96

DAILY LOG:

5# pressure on tubing. Swab perfs 3403' - 3499'. IFL @ 2700'. Dry to packer @ 3370'. 2 runs. Make three runs with swab, 1 hour apart. Recovered 150' fluid - brown brackish water - No gas shows. Total fluid recovered 5 bbls - 45 bbls 2% KCL left to recover. RD swab. Recover RBP @ 3535' and TOH with tubing, packer and RBP. Laid down tubing and tools. ND BOP and install bonnet and valve. SWI. SDFN.

DAILY COST:

SERVICE RIG	Key 373
BOP	Weatherford
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool
DOWNHOLE TOOLS (PURCHASE)	
TUBULARS	
STIMULATION SERVICE	
SNUBBING SERVICE	
N2 SERVICE	
SLICK LINE	
ELECTRIC LINE	Computalog cost adjustment
PERFORATING	
FLUIDS	Mtn States Empty tank and 2% KCL
SUPERVISION w/ EXPENSES	
FLOW TEST	
RENTAL EQUIPMENT (SURFACE)	Backhoe
OTHER	Vetco Gray cut casing/install wellhead
TANKS	Vetco Gray
OTHER	Sherwood anchors
QUANECO OH	
TRUCKING	Mtn States - clean out mud tank
OTHER	AmeriKan

DAILY COSTS	CUM COSTS
\$3,350.00	\$14,087.00
\$1,378.00	\$5,578.00
\$694.00	\$4,664.00
\$660.00	\$9,618.00
	\$1,252.00
\$800.00	\$5,125.00
	\$325.00
	\$942.00
	\$252.00
	\$1,261.00
\$500.00	\$2,500.00
	\$4,272.00
\$150.00	\$150.00
DAILY TOTAL	\$7,532.00
PREVIOUS TOTAL	\$42,494.00
CUMULATIVE TOTAL	\$50,026.00

Suttons 4-12
10/14/2001
Key 373

CASING DETAIL:
9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

DAILY LOG: RD. Break out equipment. Release rig.

DAILY COST:

PREPARED BY: Lorna James/JOHNIV LEWIS

QUEST OPERATIONS, LLC. COMPLETION & WORKOVER DAILY REPORT

LEASE: Buttons 4-12
DATE: 10/23/2001
CONTRACTOR: Key 373

CASING DETAIL:

9 5/8" H40 STC 32# @ 450'
7" J-55 LTC 23# @ 4092'

KB: 12'
PBTD: 4012' Loggers depth
GRADED ELEVATION: 6859' GR
LEGAL DESCRIPTION: T6N, R7E, Section 12, NWNW
TUBING/PACKER 131 jts. 2 7/8" J-55 on location (4088.96')
DRILLING COST: \$458,268.96

DAILY COST: \$8,538.00

CUM COST OF COMPLETION: \$66,062.00

AFE CUM COST: \$524,330.96

DAILY LOG:

MI tanks. Install BOP with choke. Prepare for foam fracture treatment of Frontier coal. Hauled 400 bbls. city water and HBR heated from 55 degrees to 85 degrees.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG			\$16,085.00
BOP	Weatherford	\$3,500.00	\$9,078.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker Oil Tool	\$643.00	\$5,307.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE			\$9,618.00
PERFORATING			
FLUIDS	Mtn States City water	\$880.00	\$2,132.00
SUPERVISION w/ EXPENSES		\$1,950.00	\$7,875.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Backhoe		\$325.00
OTHER	Vetco Gray cut casing/install wellhead		\$942.00
TANKS	RFR 1 tank 5 day minimum	\$220.00	\$472.00
OTHER	Sherwood Anchors		\$1,261.00
QUANECO OH		\$500.00	\$3,500.00
TRUCKING		\$773.00	\$9,245.00
OTHER	AmeriKan		\$150.00
OTHER	Fittings	\$72.00	\$72.00
DAILY TOTAL		\$8,538.00	
PREVIOUS TOTAL		\$57,524.00	
CUMULATIVE TOTAL			\$66,062.00

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Rig Move
LEASE: SUTTONS 4-12		DEPTH: _____
DATE: 20-Sep-01 DAYS SINCE SPUD: 0		FORMATION: _____
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: _____

REMARKS: Start to move in rig on 9/17/01. Start to RU on 9/18/01. 9/19/01 MI surface casing, mud, bits, shock sub, well head, 20 loads water.

9 5/8" casing tally = 494.23'

DAILY COST \$100,012.96		CUM COST \$100,012.96					
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____
WOB _____		RPM _____		BHA _____			

SURVEYS: _____ @ _____
 _____ @ _____

	Comp	#2
PRESS	_____	_____
STROKES	_____	_____
LINERS	_____	_____

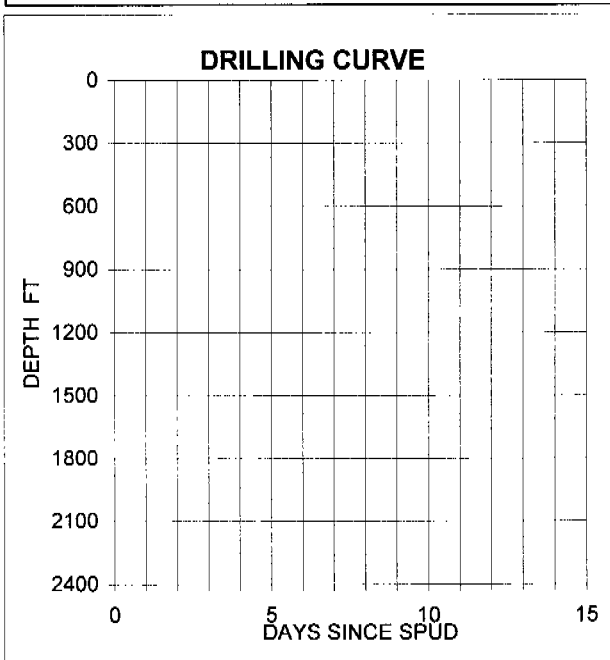
MUD:	wt	_____
	vis	_____
	filtrate	_____
	cake	_____
	ph	_____
	cl	_____
	% sol	_____
	pv	_____
	yp	_____
	mbt	_____
	Ca	_____

MUD COMMENTS:

OPERATION HRS:

HRS

0



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling
LEASE: SUTTONS 4-12		DEPTH: 90
DATE: 21-Sep-01 DAYS SINCE SPUD 1		FORMATION: Surface
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 90

REMARKS: RU and drill 12 1/4" hole. Lost circulation to mouse hole. Very fine sand. Mixed LCM. Cemented with 6.5 yards cement. Good returns now.

DAILY COST \$22,241.00		CUM COST \$122,253.96																													
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">NO.</th> <th style="width: 15%;">SIZE</th> <th style="width: 15%;">TYPE</th> <th style="width: 15%;">JETS</th> <th style="width: 10%;">HRS</th> <th style="width: 15%;">DEPTH IN</th> <th style="width: 10%;">FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC</td> <td style="text-align: center;">3/15</td> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">90</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC	3/15		0	90																
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																									
1	12 1/4"	HTC	3/15		0	90																									
WOB 20		RPM 85 BHA																													

SURVEYS:

@	
@	

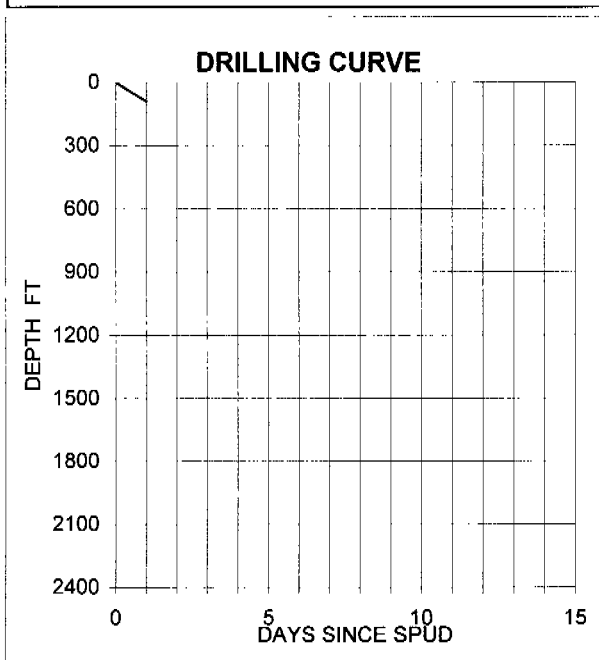
	#1	#2
PRESS	98-100	
STROKES	116	
LINERS		

MUD:	wt 8.4 vis 31 filtrate cake ph cl % sol pv yp mbt Ca
-------------	--

MUD COMMENTS:

OPERATION HRS:

Rig Up	6.00
Drill	4.00
Mix mud	5.00
Cementing	2.50
Wait on cement	6.50
24	



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling
LEASE: SUTTONS 4-12		DEPTH: 391
DATE: 22-Sep-01 DAYS SINCE SPUD 2		FORMATION: Surface
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 301

REMARKS: Drilling 12 1/4" hole. Circulation problems first 100 feet. Surveys taken. Cement washed out. Returns coming up the mouse hole. Down 4 hours finding a pump.

DAILY COST \$14,038.00		CUM COST \$136,291.96																													
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">NO.</th> <th style="width: 15%;">SIZE</th> <th style="width: 15%;">TYPE</th> <th style="width: 15%;">JETS</th> <th style="width: 10%;">HRS</th> <th style="width: 15%;">DEPTH IN</th> <th style="width: 10%;">FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC</td> <td style="text-align: center;">3/15</td> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">391</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC	3/15		0	391																
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																									
1	12 1/4"	HTC	3/15		0	391																									
WOB 15000		RPM 120																													
BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs Total BHA 354.91																															

SURVEYS:

1/2	@	108'
3/4	@	261'

	#1	#2
PRESS	400	
STROKES	90-100	
LINERS	6 x 9 1/4	

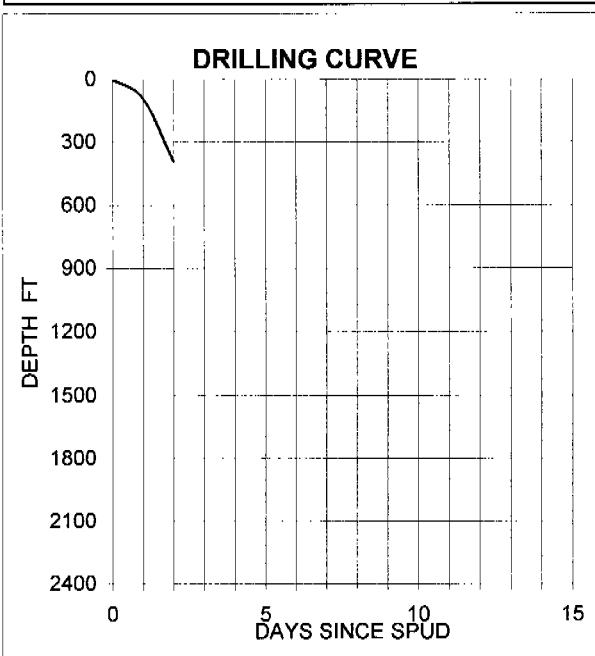
MUD:	wt 8.8 vis 37 filtrate cake ph cl % sol pv yp mbt Ca
-------------	--

MUD COMMENTS:

OPERATION HRS:

Drilling	HRS 19.25
Surveys	0.75
Repairs	4.00

24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling
LEASE: SUTTONS 4-12		DEPTH: 496
DATE: 23-Sep-01 DAYS SINCE SPUD 3		FORMATION:
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 105

REMARKS: Set 453' of 9 5/8" 32# STC casing. Returns lost, cement fell away to 80', 1" to surface, cement fell away. 1 jt. casing bad due to thread problems.

DAILY COST		\$0.00		CUM COST \$136,291.96			
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	12 1/4"	HTC R-R	3/15		0	496
WOB 15000		RPM 120		BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs			
Total BHA 354.91							

SURVEYS: @ _____
 @ _____

	#1	#2
PRESS		
STROKES		
LINERS	6 x 9 1/4	

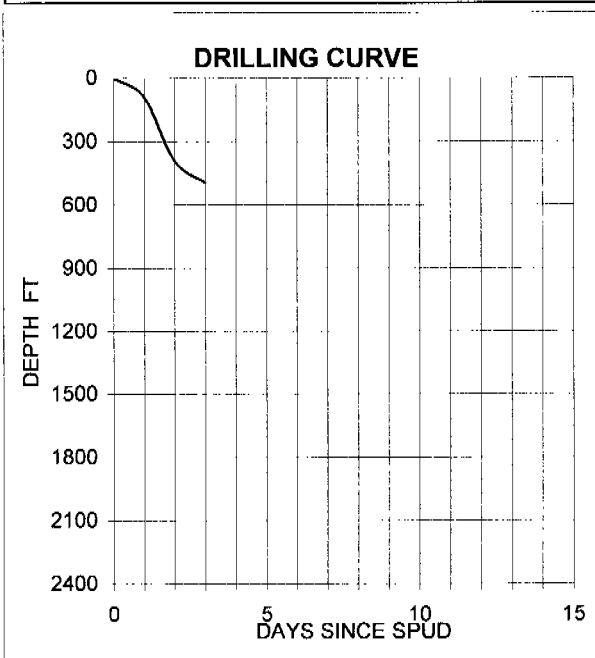
MUD:	wt	8.4
	vis	28
	filtrate	_____
	cake	_____
	ph	_____
	cl	_____
	% sol	_____
	pv	_____
	yp	_____
	mbt	_____
	Ca	_____

MUD COMMENTS:

OPERATION HRS:

Drilling	5.75
Circulate	4.00
Run casing	2.00
Cement	4.25
Cut off wellhead	4.00
Wait on cement	4.00

24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC.

DATE: 23-Sep-01 DAYS SINCE SPUD 3

Drilling

FORMATION:

REMARKS:

NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
1	12 1/4"	HTC R-R	3/15		0	496

BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs

#2

STROKES

LINERS 6 x 9 1/4

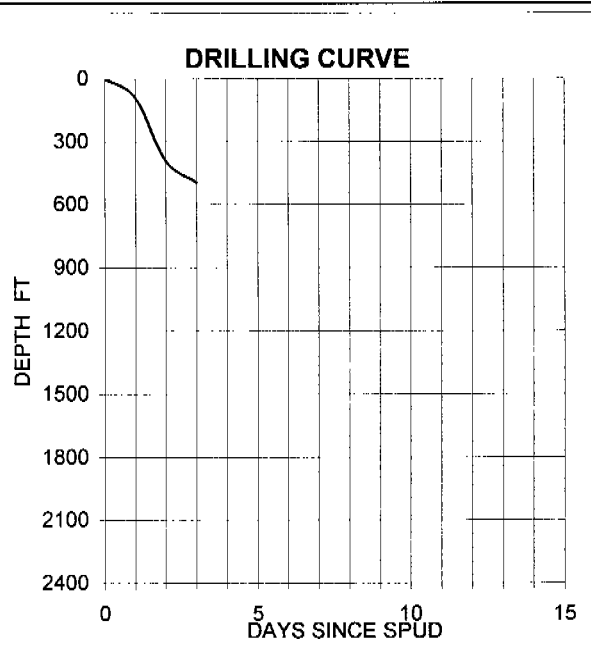
wt	
vis	
filtrate	
cake	
ph	
cl	
% sol	
p _v	
y _p	
mbt	
Ca	

DRILLING CURVE

HRS

0

Jim Jenkins/Lorna James



QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling
LEASE: SUTTONS 4-12		DEPTH: 496
DATE: 24-Sep-01 DAYS SINCE SPUD 4		FORMATION:
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 0

REMARKS: NU and cement down conductor pipe with hot ready-mix. Test BOP and Choke. All tested ok. Lay down 8" collars. PU directional tools. Directional tools and 8" collars in hole. Test mud motor. Tested ok.

DAILY COST \$20,183.00		CUM COST \$185,265.96																						
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">NO.</th> <th style="width: 15%;">SIZE</th> <th style="width: 15%;">TYPE</th> <th style="width: 10%;">JETS</th> <th style="width: 10%;">HRS</th> <th style="width: 15%;">DEPTH IN</th> <th style="width: 15%;">FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC R-R</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">496</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">453</td> <td></td> <td></td> </tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC R-R	3/15	0	0	496	2	8 3/4"	GTS-18	3/15	453				
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																		
1	12 1/4"	HTC R-R	3/15	0	0	496																		
2	8 3/4"	GTS-18	3/15	453																				
WOB 15000 RPM 120 BHA Bit. sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs Total BHA 354.91																								

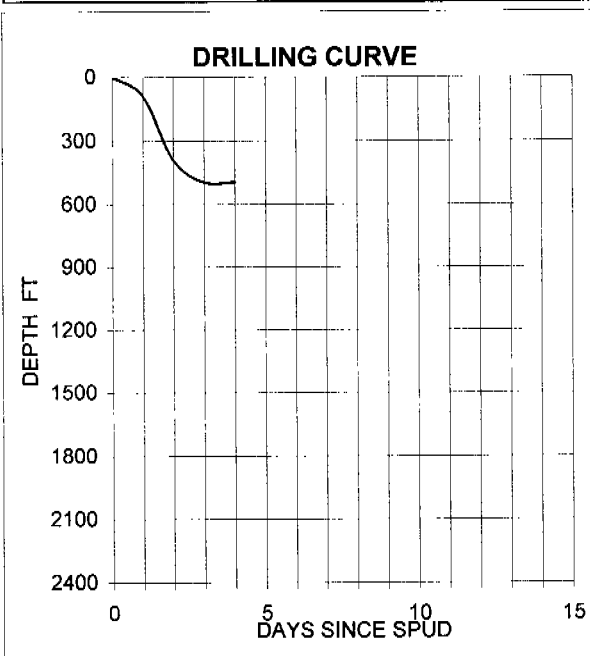
SURVEYS: _____ @ _____
 _____ @ _____

	#1	#2
PRESS		
STROKES		
LINERS	6 x 9 1/4	

MUD:	wt _____ vis _____ filtrate _____ cake _____ ph _____ cl _____ % sol _____ pv _____ yp _____ mbt _____ Ca _____
-------------	---

MUD COMMENTS:

OPERATION HRS:	
Cement	3.00
Nipple Up	8.50
BOP Test	5.50
Lay down collars	1.00
PU Directional tools	3.00
Repair/Set up directional	1.00
Run D-Tools and 8" collars	2.00
	24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: 1418
DATE: 25-Sep-01 DAYS SINCE SPUD 5		FORMATION: Adaville
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 922

REMARKS: Adaville coal @ 1350'. Sand and Shale. No shows(< 50 units). TIH. Wash and ream to bottom. Added section to drilling nipple. Drilled to 1418'.

DAILY COST \$29,970.00		CUM COST \$215,235.96																						
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>NO.</th> <th>SIZE</th> <th>TYPE</th> <th>JETS</th> <th>HRS</th> <th>DEPTH IN</th> <th>FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC R-R</td> <td style="text-align: center;">3/15</td> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">496</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">18.75</td> <td style="text-align: center;">453</td> <td style="text-align: center;">1378</td> </tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC R-R	3/15		0	496	2	8 3/4"	GTS-18	3/15	18.75	453	1378		
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																		
1	12 1/4"	HTC R-R	3/15		0	496																		
2	8 3/4"	GTS-18	3/15	18.75	453	1378																		
WOB 26-30K		RPM 35/95																						
BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs																								

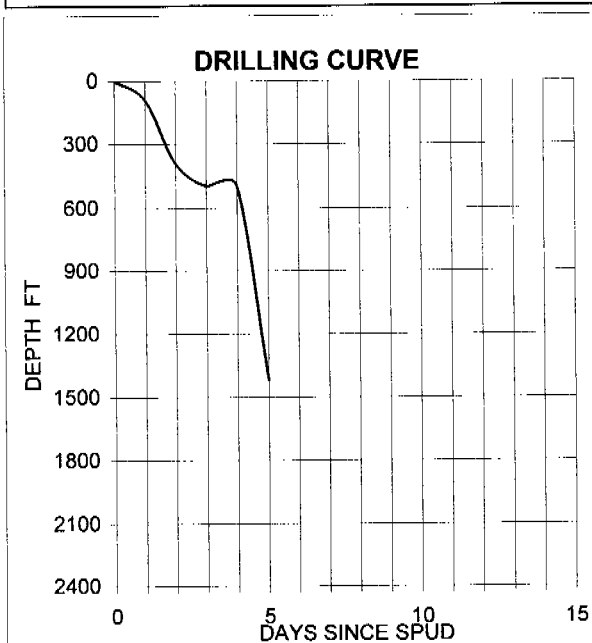
SURVEYS: 0.90 @ 1266'

	#1	#2
PRESS	1000	
STROKES	110	
LINERS	6 x 9 1/4	

MUD:	wt _____ vis _____ filtrate _____ cake _____ ph _____ cl _____ % sol _____ pv _____ yp _____ mbt _____ Ca _____
-------------	---

MUD COMMENTS:

OPERATION HRS:	
Wash & Ream	HRS 2.25
Drilling	18.75
Rig Service	0.75
Survey	0.25
Add section to nipple	2.00
24	



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: 2438
DATE: 27-Sep-01 DAYS SINCE SPUD 7		FORMATION: Frontier
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 663

REMARKS: Drilling 8 3/4" hole.

DAILY COST \$20,610.00

CUM COST \$271,450.96

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	12 1/4"	HTC R-R	3/15		0	496
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	17.5	1,756	682

WOB 30K **RPM** 35/95 **BHA** Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs

SURVEYS:

@ _____
 @ _____

	#1	#2
PRESS	1500	
STROKES	110	
LINERS	6 x 9 1/4	

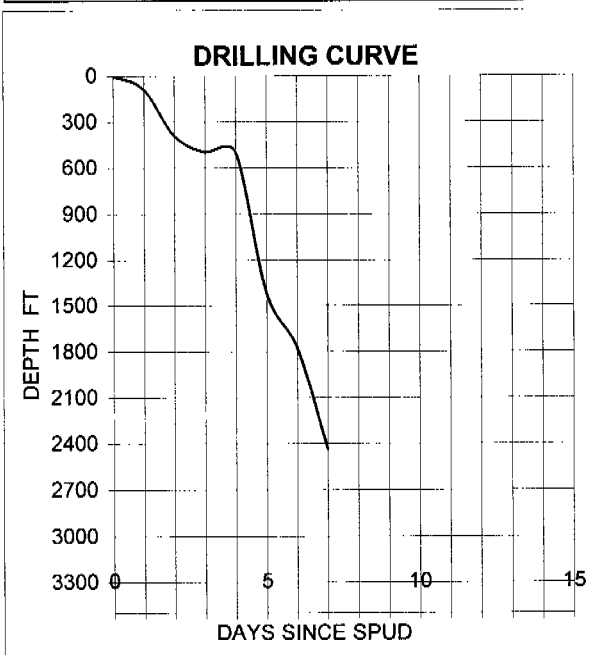
MUD:	wt	8.9	
	vis	32	
	filtrate		
	cake		
	ph		
	cl		
	% sol		
	pv		
	yp		
	mbt		
	Ca		

MUD COMMENTS:

OPERATION HRS:

	HRS
Drilling	20.25
Slide	0.50
Survey	2.75
Rig Service	0.50

24



REPORTED BY:

Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT				PRESENT OPERATION: Drilling 8 3/4" hole	
LEASE: SUTTONS 4-12				DEPTH: 3003	
DATE: 28-Sep-01 DAYS SINCE SPUD 8				FORMATION: Frontier	
CONTRACTOR: True Drilling 0				FOOTAGE LAST 24 HRS: 565	

REMARKS: Drilling 8 3/4" hole. Hole is not tight, good returns.

DAILY COST \$23,604.00

CUM COST \$295,054.96

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	12 1/4"	HTC R-R	3/15		0	496
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	40.	1,756	1247

WOB 30K **RPM** 35/95 **BHA** Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs

SURVEYS: 1.10 @ 2734'

	#1	#2
PRESS	1200	
STROKES	110	
LINERS	6 x 9 1/4	

MUD:	wt	9	
	vis	32	
	filtrate		
	cake		
	ph		
	cl		
	% sol		
	pv		
	yp		
	mbt		
	Ca		

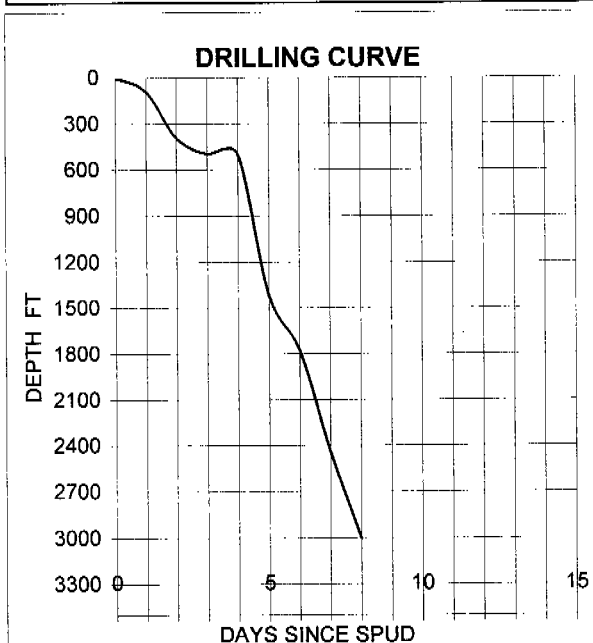
MUD COMMENTS:

OPERATION HRS:

	Drilling
	Survey
	Rig repair - pump

HRS
 19.25
 2.00
 2.75

24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: 3541
DATE: 29-Sep-01 DAYS SINCE SPUD 9		FORMATION: Aspen Shale
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 538

REMARKS: Repaired survey machine. Good returns, seeing some coal and gas. Top of Aspen shale @ approximately 3530'

DAILY COST \$13,694.00		CUM COST \$308,748.96																													
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>NO.</th> <th>SIZE</th> <th>TYPE</th> <th>JETS</th> <th>HRS</th> <th>DEPTH IN</th> <th>FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC R-R</td> <td style="text-align: center;">3/15</td> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">496</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">27.25</td> <td style="text-align: center;">453</td> <td style="text-align: center;">1756</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">40.</td> <td style="text-align: center;">1,756</td> <td style="text-align: center;">1785</td> </tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC R-R	3/15		0	496	2	8 3/4"	GTS-18	3/15	27.25	453	1756	3	8 3/4"	GTS-18	3/15	40.	1,756	1785		
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																									
1	12 1/4"	HTC R-R	3/15		0	496																									
2	8 3/4"	GTS-18	3/15	27.25	453	1756																									
3	8 3/4"	GTS-18	3/15	40.	1,756	1785																									
WOB 30K RPM 35/95 BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs																															

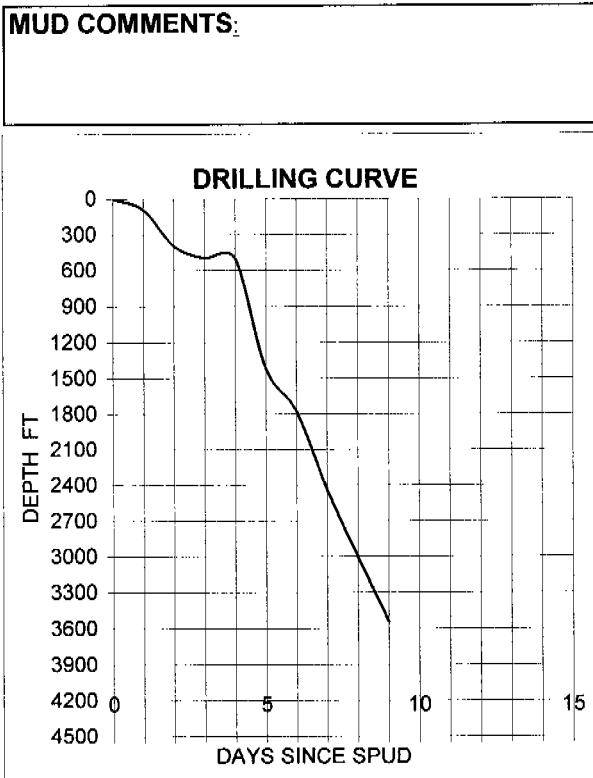
SURVEYS: 2.00 @ 3316'
 @

	#1	#2
PRESS	1200	
STROKES	110	
LINERS	6 x 9 1/4	

MUD:	wt 8.9 vis 32 filtrate cake ph cl % sol pv yp mbt Ca
-------------	--

OPERATION HRS:	<table style="width: 100%;"> <tr> <td style="text-align: right;">Drilling</td> <td style="text-align: center;">20.75</td> </tr> <tr> <td style="text-align: right;">Survey</td> <td style="text-align: center;">3.00</td> </tr> <tr> <td style="text-align: right;">Rig Repair</td> <td style="text-align: center;">0.25</td> </tr> </table>	Drilling	20.75	Survey	3.00	Rig Repair	0.25
Drilling	20.75						
Survey	3.00						
Rig Repair	0.25						

24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: 4110
DATE: 30-Sep-01 DAYS SINCE SPUD 10		FORMATION: Kelvin
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 569

REMARKS: Top of Bear River 3905' out at 3980'. 130' rat hole. TD 4110'.

Evening tour started mudding up, morning tour drilled to TD and got the mud up to 45-50 for logs. TOOHH for logs.

DAILY COST \$17,309.00		CUM COST \$326,057.96																													
BIT DATA:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>NO.</th> <th>SIZE</th> <th>TYPE</th> <th>JETS</th> <th>HRS</th> <th>DEPTH IN</th> <th>FOOTAGE</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">12 1/4"</td> <td style="text-align: center;">HTC R-R</td> <td style="text-align: center;">3/15</td> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">496</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">27.25</td> <td style="text-align: center;">453</td> <td style="text-align: center;">1756</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">8 3/4"</td> <td style="text-align: center;">GTS-18</td> <td style="text-align: center;">3/15</td> <td style="text-align: center;">81.25</td> <td style="text-align: center;">1,756</td> <td style="text-align: center;">2354</td> </tr> </tbody> </table>	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE	1	12 1/4"	HTC R-R	3/15		0	496	2	8 3/4"	GTS-18	3/15	27.25	453	1756	3	8 3/4"	GTS-18	3/15	81.25	1,756	2354		
NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE																									
1	12 1/4"	HTC R-R	3/15		0	496																									
2	8 3/4"	GTS-18	3/15	27.25	453	1756																									
3	8 3/4"	GTS-18	3/15	81.25	1,756	2354																									
WOB 30K		RPM 35/95																													
BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs																															

SURVEYS: @
 @

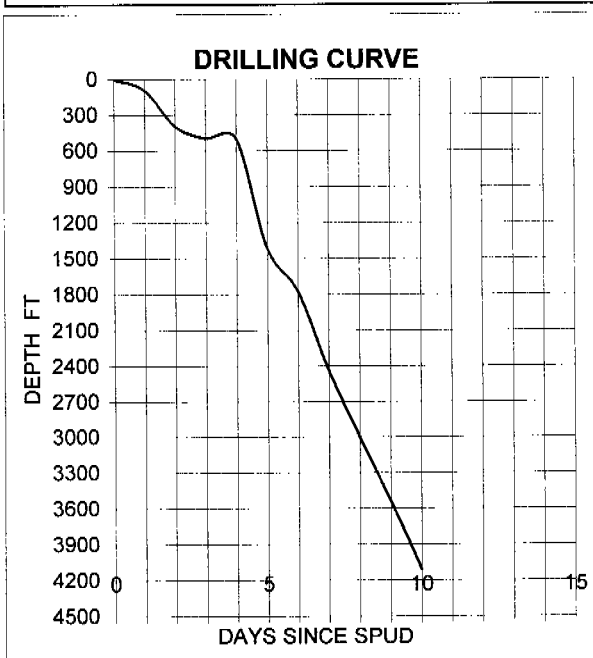
	#1	#2
PRESS	1300	
STROKES	112	
LINERS	6 x 9 1/4	

MUD:	wt 9 vis 50 filtrate cake ph cl % sol pv yp mbt Ca
-------------	--

OPERATION HRS:	HRS
Drilling	21.25
Rig service	0.50
Circulate	2.25

24

MUD COMMENTS:



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: _____
DATE: 1-Oct-01 DAYS SINCE SPUD 11		FORMATION: Kelvin
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: _____

REMARKS: 30 stand short trip. Mix pill. Pulled 30 std. Started back in hole 18 stds., bridged off. TOH. Lay down directional tools, shock sub and bit. PU R&R S-18 bit and sub, TIH. Ran collars. 22 1/2 stds off bottom, wash and ream. 10 stds off bottom, wash and ream.

DAILY COST \$14,456.00				CUM COST \$340,513.96			
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	81.25	1,756	2354
	4	8 3/4"	GTS-18 R&R				

WOB 30K	RPM 35/95	BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs
----------------	------------------	---

SURVEYS: _____ @ _____
 _____ @ _____

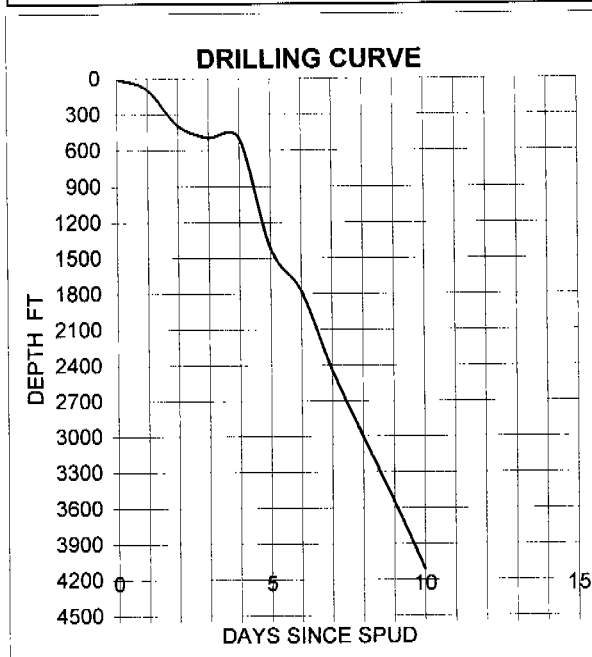
	#1	#2
PRESS	1000	
STROKES		
LINERS	6 x 9 1/4	

MUD:	wt	_____
	vis	_____
	filtrate	_____
	cake	_____
	ph	_____
	cl	_____
	% sol	_____
	pv	_____
	yp	_____
	mbt	_____
	Ca	_____

MUD COMMENTS:

OPERATION HRS:		HRS
	Trip	13.75
	Wash and Ream	10.25

24



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: Drilling 8 3/4" hole
LEASE: SUTTONS 4-12		DEPTH: 4110
DATE: 2-Oct-01 DAYS SINCE SPUD 12		FORMATION: Kelvin
CONTRACTOR: True Drilling 0		FOOTAGE LAST 24 HRS: 0

REMARKS: Hole tight with sloughing. Wash and ream. Circulate. Take logs to 4090'.

DAILY COST \$50,103.00				CUM COST \$390,616.96			
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	81.25	1,756	2354
	4	8 3/4"	GTS-18 R&R				
<div style="display: flex; justify-content: space-between;"> WOB 30K RPM 35/95 BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs </div>							

SURVEYS:

@
@

	#1	#2
PRESS	1000	
STROKES	110	
LINERS	6 x 9 1/4	

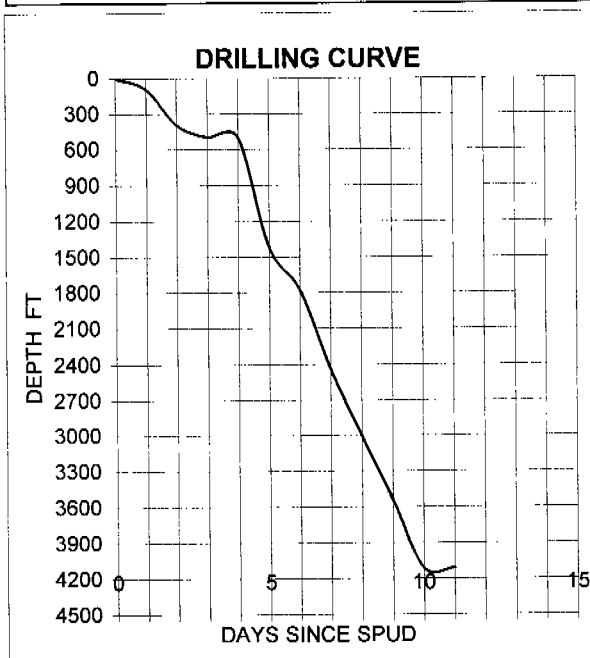
MUD:	wt	9.8
	vis	60
	filtrate	_____
	cake	_____
	ph	_____
	cl	_____
	% sol	_____
	pv	_____
	yp	_____
	mbt	_____
	Ca	_____

MUD COMMENTS:

OPERATION HRS:

Wash & Ream	<u>2.00</u>
Circulate	<u>4.50</u>
Logging	<u>3.00</u>
Trip	<u>14.50</u>

24



REPORTED BY:

Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT				PRESENT OPERATION: <div style="border-bottom: 1px solid black; text-align: center;">Casing</div>	
LEASE: SUTTONS 4-12				DEPTH: 	
DATE: 3-Oct-01 DAYS SINCE SPUD 13				FORMATION: Kelvin	
CONTRACTOR: True Drilling 0				FOOTAGE LAST 24 HRS:	

REMARKS: RU Casers. TIH with 92 jts. And 1-20' marker jt. To 4091.82'. Set marker at approximately 3200'. RD Casers. RU Halliburton. Circulate with mud. Pump cement and displace bump @ 10:46 p.m. ND BOP. Release rig 6:30 p.m.

FINAL REPORT

Cement: 275 sks 50/50 Poz, 1/4 flocele, halad 322, 7/10 2% gel - 3 pounds/sack silicate 0.15% veraset.

DAILY COST \$26,879.00				CUM COST \$417,495.96			
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	81.25	1,756	2354
	4	8 3/4"	GTS-18 R&R				

WOB <u>30K</u>	RPM <u>35/95</u>	BHA <u>Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs</u>
-----------------------	-------------------------	--

SURVEYS:

@

@

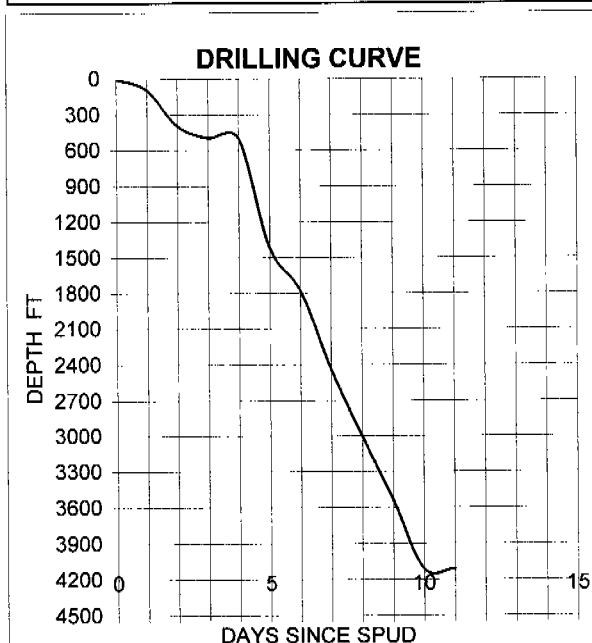
	#1	#2
PRESS		
STROKES		
LINERS	6 x 9 1/4	

MUD:	wt	<u> </u>
	vis	<u> </u>
	filtrate	<u> </u>
	cake	<u> </u>
	ph	<u> </u>
	cl	<u> </u>
	% sol	<u> </u>
	pv	<u> </u>
	yp	<u> </u>
	mbt	<u> </u>
	Ca	<u> </u>

OPERATION HRS:

<u>RU Casers</u>	<u>9.00</u>
<u>Run casing</u>	<u>2.50</u>
<u>RD casers - RU Halliburton</u>	<u>1.00</u>
<u>Circulate</u>	<u>0.50</u>
<u>pump cement</u>	<u>3.00</u>
<u>ND BOP, set slugs, clean up, release rig</u>	<u>7.50</u>
	23.5

MUD COMMENTS:



REPORTED BY: Jim Jenkins/Lorna James

QUANECO, LLC. DAILY DRILLING REPORT		PRESENT OPERATION: <div style="text-align: center;">Casing</div>
LEASE: SUTTONS 4-12 DATE: 4-Oct-01 DAYS SINCE SPUD 14		DEPTH: _____ FORMATION: _____ FOOTAGE LAST 24 HRS: _____
CONTRACTOR: True Drilling 0		

REMARKS:

		DAILY COST \$40,773.00		CUM COST \$458,268.96			
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	2	8 3/4"	GTS-18	3/15	27.25	453	1756
	3	8 3/4"	GTS-18	3/15	81.25	1,756	2354
	4	8 3/4"	GTS-18 R&R				
<div style="display: flex; justify-content: space-between;"> WOB 30K RPM 35/95 BHA Bit, sub 4.5'; XO sub 2'; 2-8" DCs; 8-6 1/2" DCs </div>							

SURVEYS:

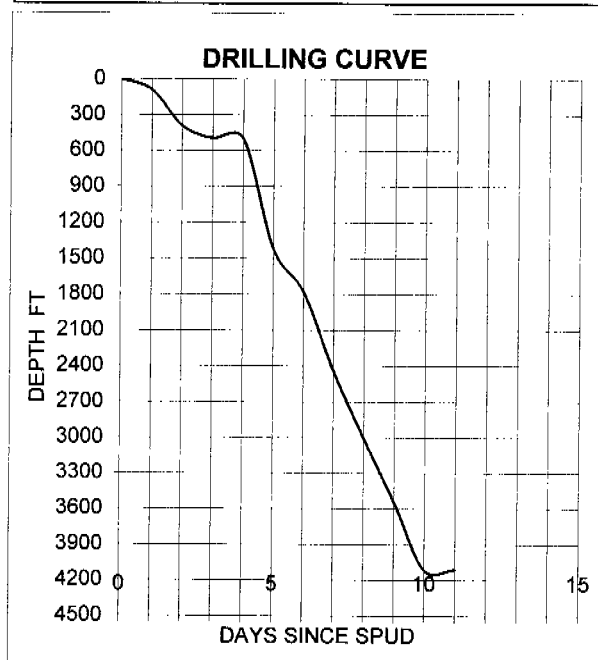
@ _____
@ _____

	#1	#2
PRESS		
STROKES		
LINERS	6 x 9 1/4	

MUD:									
	wt								
	vis								
	filtrate								
	cake								
	ph								
	cl								
	% sol								
	pv								
	yp								
	mbt								
	Ca								

OPERATION HRS:

MUD COMMENTS:



REPORTED BY:

Jim Jenkins/Lorna James



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

May 24, 2004

Casey Osborn
Quaneco, LLC
P. O. Box 7370
Sheridan, Wyoming 82801

Re: Notice's of Violation (NOV's) – Wells/locations in Rich
County, Utah

Dear Mr. Osborn:

On August 11, 2003, Division staff member's conducted inspections of wells located in Rich County, Utah, operated by Fat Chance Oil & Gas, LLC "Fat Chance". Quaneco, LLC "Quaneco" was the mineral lessee, Fat Chance was the designated operator.

Several of the wells had been drilled and completed however the reserve pits had not been closed and reclaimed within 1 year following drilling and completion of the well's in accordance with R649-3-16 et al (copy enclosed), Reserve Pits and Other Onsite Pits.

In addition, some well locations had drill pads, access roads, and pits built that were not being maintained, where no drilling activity had taken place, a violation of R649-3-15 et al (copy enclosed), Pollution and Surface Damage Control.

Fat Chance was notified via telephone in late August 2003, of the above stated non-compliance issues, and was advised to comply before winter 2003.

Page 2
Quaneco, LLC
May 24, 2004

On May 18, 2004, a Division staff member conducted follow-up inspections to verify compliance. Please be advised that the wells listed below are still in non-compliance status, therefore, a Notice of Violation is being issued to Quaneco, current operator and lessee, for the wells listed below, effective May 18, 2004.

- Crane 4-4 43-033-30049 Sec. 04, T6N, R8E
Completed 3/31/01, pit should have been reclaimed by 3/31/02. Pit 2/3 full, pits' north slope not fenced. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush.
- Crane 12-4 43-033-30050 Sec. 04, T6N, R8E
Completed 9/15/01, pit should have been reclaimed by 9/15/02. Pit has approx. 4" water. Liner is showing signs of wear and tear.
- Crane 13-8 43-033-30052 Sec. 08, T6N, R8E
Completed 7/27/01, pit should have been reclaimed by 7/27/02. Pit 2/3 full. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush. Drill pipe not in use on location.
- Crawford 4-25 43-033-30065 Sec. 25, T9N, R7E (Spud)
Well not drilled, rat hole spud not reported, TD unknown. Pit has approx. 6" water. Liner is showing signs of wear and tear.
- Murphy Ridge 1-32 43-033-30045 Sec. 32, T8N, R8E
Completed 8/18/02, pit should have been reclaimed by 8/18/03. Pit is full of mud/water, and is not fenced. Liner is torn and is falling in. Drill pipe not in use on location.
- Murphy Ridge 7-32 43-033-30046 Sec. 32, T8N, R8E
Well not drilled. Pit semi-built, not lined or fenced. Pad/access road is overgrown with weeds/sagebrush.
- Stacy Hollow 14-35 43-033-30056 Sec. 35, T7N, R7E
Completed 9/11/01, pit should have been reclaimed by 9/11/02. Pit 1/2 full. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush.
- Suttons 4-12 43-033-30058 Sec. 12, T6N, R7E
Completed 10/3/01, pit should have been reclaimed by 10/3/02. Pit has approx. 4" water. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush. Drill pipe not in use on location.

Page 3
Quaneco, LLC
May 24, 2004

Quaneco has (30) thirty days, from receipt of this letter, to close and reclaim the reserve pits on the locations where the wells have been drilled and completed. In addition, all drill pads and access roads need to be cleared of weeds/sagebrush, and all scrap or other materials not in use at the locations should be removed from the property or be stored in an orderly manner.

Quaneco has (30) thirty days, from receipt of this letter, to report information regarding the rat hole spud on the Crawford 4-25 well, and to replace the pit liner or close and reclaim the pit, plug the rat hole spud, and reclaim the entire location. The permit expires on 11/28/04.

Quaneco has (30) thirty days, from receipt of this letter, to install a fence around the partially constructed reserve pit at the Murphy Ridge 7-32 well location, and to clear the weeds and sagebrush from the drill pad and access road or close and reclaim the reserve pit, and reclaim the entire location. The permit expires 12/31/04.

The NOV's will remain in effect until the listed deficiencies are corrected. Failure to comply will result in further enforcement action by the Division.

If you have any questions regarding this matter please contact Lisha Cordova at (801)538-5296 or Dan Jarvis at (801)538-5338.

Sincerely,



(for)

John R. Baza
Associate Director

cc: Gil Hunt, Technical Services Manager
Bill Hopkin, Deseret Land & Livestock/Landowner
Ed Bonner, SITLA/Landowner (Murphy Ridge 1-32 & 7-32)
George Frazier, Landowner (Crawford 4-25)

QUANECO, LLC

Box 7370-Sheridan, WY 82801-Office 307-673-1500-Fax 307-673-1400 quaneco@fiberpipe.net

June 15, 2004

Mr. Dustin Doucet
Utah Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Response to NOV's dated May 24, 2004 and received June 3, 2004

Dear Mr. Doucet:

Quaneco has been evaluating the subject leases since 2001. The program has consisted of drilling wells and testing to either condemn or prove viability. Due to the fact that zones of interest have been penetrated that are potentially profitable, Quaneco is reluctant to abandon wellbores and/or wellsites that may prove to be valuable based upon future exploration.

Quaneco is cognizant of the regulations attached with the letter and has indeed taken all reasonable precautions to avoid polluting. In addition to pollution prevention, Quaneco has gone beyond the requirements of the negotiated surface use agreement to construct new roads, upgrade existing roads, install cattle guards, build bridges, pay for steel gates, seed disturbed areas with the surface owner's recommended seed mix and minimize surface disturbance. Quaneco has been sensitive to the landowner's organized surface activities such as the handcart reenactments by scheduling drilling and testing operations to prevent disturbance. Quaneco has respected the landowner by not storing an excessive amount of equipment on locations. Today, only a minimal amount of equipment is stored. Quaneco has consistently responded to the landowner's requests. However, Quaneco is not in the position to influence royalty owners to give a portion of royalty to another royalty owner.

Quaneco believes that permission has been granted to date to delay pit reclamation; however, it was understood that the pit situation would be reevaluated this summer. Throughout the past three years, Quaneco has maintained contact with your office and the landowner. We have made it clear that the results from the exploration activities to date have been inconclusive at best, but recognize the prospect has unlimited potential geologically and Quaneco's belief in the area is substantiated by the continuing investment of time and money.

RECEIVED
JUN 22 2004
DIV. OF OIL, GAS & MINING

Quaneco will begin mobilizing to respond to the claims of violation. Quaneco is unable to meet the thirty-day requirements on most of the claims due to the unexpected position from your agency of violation and the short notice. Once again, I believe Quaneco has been extremely sensitive to cooperating with both your agency and the landowners. When there was news to report, we have reported and we do believe that we had permission to delay pit reclamation. Therefore, I formally request that you allow us to proceed in a cost efficient manner to perform the minimal amount of work that needs to be accomplished. We have already contacted the contractor recommended by the landowner to perform this work; however, his schedule would not allow him to complete all of the work within thirty days.

Quaneco did not consider the Crawford 4-25 a legitimate spud so did not report same. Quaneco has been in contact with the landowner for the duration and has honored and responded to his requests in the past.

Quaneco is a prudent operator and has legally leased the minerals on these properties. Our intent is to explore for and hopefully develop commercial volumes of natural gas. We understand that adherence to regulations is necessary. We recognize the value of cooperation with your agency and we respect your agency's role of being good stewards of the land.

I will be looking forward to your response and in the meantime we will move forward with correcting the claimed deficiencies.

Sincerely,

A handwritten signature in cursive script, appearing to read "Casey Osborn".

Casey Osborn

QUANECO

Committed to American Energy Independence

August 19, 2004

Mr. Dustin Doucet
Utah Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
AUG 26 2004
DIV. OF OIL, GAS & MINING

Re: Quaneco's Rich County activity forecast for fourth quarter 2004

Dear Mr. Doucet:

Quaneco intends to backfill and reclaim the reserve pits at the following locations this fall:

Crane 4-4
Crane 12-4
Crane 13-8
Suttons 4-12
Stacey Hollow 14-35
Murphy Ridge 1-32

Quaneco intends to backfill the reserve pit and reclaim the entire location at the following two locations this fall:

Murphy Ridge 7-32
~~Crane 4-25~~ Crawford 4-25

Reseeding will be conducted in cooperation with Deseret Land.

Quaneco has entered into an agreement with Fellows Energy allowing them an opportunity to conduct exploration operations for the near term. It is anticipated that Fellows' operations and evaluations will continue through 2005; therefore, Quaneco intends to maintain all existing wellbores in a shut in status.

Sincerely,

Casey Osborn
Casey Osborn by *[Signature]*

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____

(Loc.) Sec _____ Twp _____ Rng _____
(API No.) _____

☐ Suspense
(Return Date) _____
(To-Initials) _____

☐ Other

1. Date of Phone Call: 9/20/04 Time: 11:00

2. DOGM Employee (name) J. Cordove (☒ Initiated Call)
Talked to:
Name Terry Pruitt (☐ Initiated Call) - Phone No. (307) 679-4407
of (Company/Organization) T.P. Const. Inc.

3. Topic of Conversation: Burke Trickett new DLT Ranch mgr. 7/2004,
referred me to Terry for reclaim update regarding
Quaneco properties on ranch.

4. Highlights of Conversation: _____

Crane 12-4 - Pit reclaimed. 9/2004
Suttons 4-12 - Pit reclaimed 9/19/04.
Murphy Ridge 1-32 - Pit reclaimed. 9/2004.
Crane 4-4 - Pit reclaim started - more wtr. evap required, done by end of Sep
Crane 13-8 - Pit has too much water, need to haul off, done by end of Oct.
Stacey Hollow 14-35 - Pit reclaim in progress, should be done end of Sept.
Murphy Ridge 7-32 - Complete reclaim should be done by end of Oct.
Crawford 4-25 - Complete reclaim should be done by end of Oct.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Quaneco, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Suttons 4-12
		9. API NUMBER: 4303330058
		10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL COUNTY: Rich

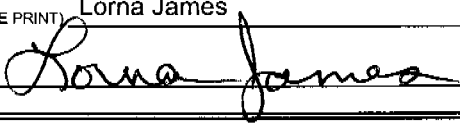
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Pit reclaimed and fence removed by TP Construction 10/2/2004

NAME (PLEASE PRINT) Lorna James	TITLE Administrative Assistant
SIGNATURE 	DATE 10/12/2004

(This space for State use only)

RECEIVED
OCT 15 2004
DIV. OF OIL, GAS & MINING

November 1, 2004

Casey Osborn
Quaneco LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Satisfactory Closure for Notice of Violation (NOV) Dated May 24, 2004.

Mr. Osborn,

The compliance work accomplished by Quaneco since the issuance of the NOV dated May 24, 2004 is acknowledged, and is adequate for Closure of the NOV.

There is however some work in progress and other related items of concern that remain. The Division will be conducting field inspections again in the spring of 2005 and will be looking into any remaining items of concern. It should be noted that your permit to drill does not include a permit to store unused equipment, tubing or casing on the location. That, along with the condition of your pit liners are some of the items we will be inspecting in the spring.

Questions regarding this matter should be directed to Lisha Cordova in our Salt Lake Office, at (801) 538-5296.

Sincerely,

K. Michael Hebertson
Manager, Hearings & Enforcement

WELL SEARCH

WELL DATA

WELL HISTORY

WELL ACTIVITY

WELL NAME **SUTTONS 4-12** API NUMBER **4303330058** WELL TYPE **GW** WELL STATUS **S**
OPERATOR **QUANECO, LLC** ACCOUNT **N2495** # OPERATOR APPROVED BY BLM / BIA ☐
DESIGNATED OPERATOR ACCOUNT
FIELD NAME **WILDCAT** FIELD NUMBER **1** FIRST PRODUCTION LA / PA DATE

WELL LOCATION:

SURF LOCATION **748 FNL 0631 FWL**Q. S. T. R. M. **NWNW** **12** **06.0 N** **07.0 E** **S**COUNTY **RICH**

UTM Coordinates:

SURFACE - N **4568950.00**BHL - N SURFACE - E **490880.00**BHL - E LATITUDE **41.27384**LONGITUDE **-111.10890**CONFIDENTIAL FLAG ☐CONFIDENTIAL DATE **11** **3** **2002**DIRECTIONAL / HORIZONTAL ☐HORIZONTAL LATERALS ☐ORIGINAL FIELD TYPE **W**WILDCAT TAX FLAG ☐CB-METHANE FLAG ☐ELEVATION **6859 GR**BOND NUMBER / TYPE **04-002** **5**LEASE NUMBER **FEE**MINERAL LEASE TYPE **4**SURFACE OWNER TYPE **4**INDIAN TRIBE C.A. NUMBER UNIT NAME

CUMULATIVE PRODUCTION:

OIL GAS WATER

WELL IMAGES

PRODUCTION GRAPH

COMMENTS **010924 ENTITY ADDED:031031 FR N1395.**

Create New Rec

Save

Cancel Change

To History

To Activity

Print Recd

Export Recd





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

November 25, 2004

Lorna James
Fat Chance Oil & Gas, LLC
PO Box 7370
Sheridan, WY 82801

Re: Notification of Sale or Transfer of Fee Lease Interest

Dear Ms. James:

The Division has received notification of a operator change from Fat Chance Oil & Gas, LLC to Quaneco, LLC for the attached list of wells which are located on fee leases.

Utah Administrative Rule R649-2-10 states; the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Fat Chance Oil & Gas, LLC of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association
Box 1292
Roosevelt, Utah 84066

Your assistance in this matter is appreciated.

Sincerely,

Earlene Russell
Engineering Technician

cc: Utah Royalty Owners Association, Lamar Wilson
John R. Baza, Associate Director

Fat Chance Oil & Gas, LLC
November 25, 2004

ATTACHMENT "A"

<u>Well Name</u>	<u>Sec.-Twsp -Rng.</u>	<u>API Number</u>
NEPONSET 4-35	35 080N 070E	4303330048
CRANE 4-4	04 060N 080E	4303330049
CRANE 12-4	04 060N 080E	4303330050
SIMS 13-33	33 070N 080E	4303330051
CRANE 13-8	08 060N 080E	4303330052
CRANE 6-7	07 060N 080E	4303330053
CRANE 13-6	06 060N 080E	4303330054
CRANE 13-18	18 060N 080E	4303330055
STACEY HOLLOW 14-35	35 070N 070E	4303330056
SUTTONS 4-12	12 060N 070E	4303330058
CRAWFORD 4-25	25 090N 070E	4303330065
COALVILLE 9-3	03 020N 050E	4304330322
COALVILLE 12-3	03 020N 050E	4304330323



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 3, 2005

CERTIFIED MAIL NO. 7002 0510 0003 8602 5733

Ms. Lorna James
Quaneco, LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for
Fee or State Leases.

Dear Ms. James:

As of March 2005, Quaneco LLC has five (5) Fee Lease Wells and one (1) State Lease Well (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
Ms. Lorna James
March 3, 2005

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD:jc
Attachment
cc: John Baza
Well File
SITLA

ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Murphy Ridge 1-32	NENE Sec 32-T8N-R8E	43-033-30045	State	1 Year 5 Months
2	Stacy Hollow 14-35	SESW Sec 35-T7N-R7E	43-033-30056	Fee	1 Year 5 Months
3	Suttons 4-12	NWNW Sec 12-T6N- R7E	43-033-30058	Fee	1 Year 5 Months
4	Crane 4-4	NWNW Sec 4-T6N-R8E	43-033-30049	Fee	1 Year 5 Months
5	Crane 12-4	NWSW Sec 4-T6N-R8E	43-033-30050	Fee	1 Year 5 Months
6	Crane 13-8	SWSW Sec 8-T6N-R8E	43-033-30052	Fee	1 Year 5 Months

Quaneco, LLC

850 Val Vista-Box 7370-Sheridan, WY 82801-Office 307-673-1500-Fax 307-673-1400 <mailto:quaneco@fiberpipe.net>

8/4/2005

State of Utah
Division of Oil, Gas and Mining
ATTN: Mr. Dustin Doucet
PO Box 145801
Salt Lake City UT 84114-5801

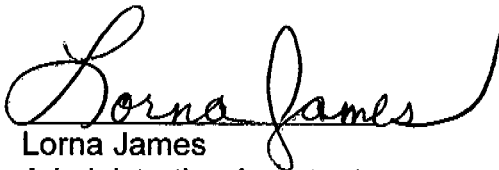
RE: Integrity Testing

Dear Mr. Doucet,

I am writing to follow up on temperature surveys that were conducted on May 24th of this year at our well locations in Utah. An email was sent on June 1, 2005 reflecting the results of the requested testing. A copy of said email is attached hereto. Given that the wells are still in good condition, Quaneco LLC would like to request an extension of the Division's approval of our shut-in status. We have sincere hopes that our partner, Fellows Energy, will be developing this acreage further later this year as weather conditions permit.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna James
Administrative Assistant

RECEIVED

AUG 12 2005

DIV. OF OIL, GAS & MINING

Lorna James

From: "Johnny Lewis" <jass@fiberpipe.net>
To: <ljames@fiberpipe.net>
Sent: Thursday, August 04, 2005 3:17 PM
Subject: Fw: Temp Log Info 5 2005

----- Original Message -----

From: Johnny Lewis
To: P Tromp ; Bill@EMIT ; ljames@fiberpipe.net ; jass@fiberpipe.net ; ANNA/ JHL
Sent: Wednesday, June 01, 2005 8:36 AM
Subject: Temp Log Info 5 2005

**Temperature Surveys of Utah Overthrust Wells
 May 24/25 2005
 by Superior Production Logging
 Surface to PBTD**

Stacy Hollow 14-35

05-24-05 Temp Log

Fluid Level @ 436' - 0 psi on csg

Max. Temp 111.2

Depth Logger @ 5188 / PBTD @ 5185 - Perfs: 4378-4950 - Cmt top @ 2850

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 5 1/2" 15.5# csg @ 6002 to Surface / *No tbg in hole

Suttons 4-12

05-24-05 Temp Log

Fluid Level @1062' - 50 PSI TBG / 70 PSI CSG

Max. Temp 95.6

Depth Logger 3942 / PBTD @ 4012 - Perfs: 3403-3499

* Possible sand fill from sand frac - Cmt top @ 3150

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 4092 to surface / *2 7/8 tbg to 3374

Crane 13-8

05-25-05 Temp Log

Fluid Level @ 286' - 0 psi on csg

Max. Temp 92.1

Depth Logger 3383 / PBTD @ 3395 - Perfs:3037 - 3369

Cmt top @ 2100

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 3764 to surface / *No tbg in hole

Crane 12-4

05-24-05 Temp Log

Fluid Level @218' - 0 psi on tbg and csg

Max. Temp 65.2

Depth Logger 1641 / PBTD @ 1682

7" Fiberglass Csg 1611 to 1692 Under reamed 14" from 1637 to 1653

7" 23# Csg 1611 to surface Est. Cmt Top @ 1000

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to Under reamed Zone

Casing looks OK - * 2 7/8 tbg to 1633

Fill @ 1641 from possible sloughing coals

Crane 4-4

05-24-05 Temp Log

Fluid Level @ Surface – 0 psi on csg

Max. Temp 61.7

Depth Logger 1442'

*Well never Completed or Cleaned Out / Calc. Cmt Top @ 1050

7" 23# 1598 to surface / 7" FG 1598–1705 / TD @ 1820'

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to 1442

Casing looks OK - *No Tbg

Murphy Ridge 1-32

Fluid Shots

05-01-05 Csg 16 PSI / Tbg 18 PSI - 20 jts to Fluid / Approx. 640'

05-25-05 Csg 0 PSI / Tbg 0 PSI – 20 jts to Fluid / Approx. 640'

No change in fluid levels with or without pressure or 24 days between shots

Indicates that casing is OK

*Also other 5 wells logged with temperature logs show no signs of casing being bad

JHL 06/01/05

No virus found in this incoming message.

Checked by AVG Anti-Virus.

Version: 7.0.322 / Virus Database: 267.3.2 - Release Date: 5/31/2005

No virus found in this incoming message.

Checked by AVG Anti-Virus.

Version: 7.0.338 / Virus Database: 267.10.0/63 - Release Date: 8/3/2005

8/4/2005



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 22, 2005

Ms. Lorna James
Quaneco, LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for
Fee or State Leases.

Dear Ms. James:

The Utah Division of Oil, Gas & Mining ("Division") is in receipt of your letter dated August 4, 2005 (received by the Division on 8/12/2005) requesting extended shut-in or temporarily abandoned (SI/TA) status for five (5) Fee Lease Wells and one (1) State Lease Well (see attachment A). Quaneco, LLC ("Quaneco") has supplied copies of temperature logs and fluid level shots and has supplied explanations as to how this information shows the wells to have integrity. The Division understands that Fellows Energy, Quaneos' partner, will be developing the properties this coming year.

Based on the submitted information and the plan of action, Quaneos' request for extended shut-in/temporarily abandoned (SI/TA) status for the 6 wells listed in attachment A are approved. The approvals are valid through August 1, 2006. A continued monitoring program should be followed to ensure continued integrity throughout the approval period. The results of the monitoring program should be submitted to the Division at the end of the approval period. However, should pressures or fluid levels change significantly contact the Division immediately. Remedial action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

Attachment
cc: Well Files
SITLA

ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Murphy Ridge 1-32	NENE Sec 32-T8N-R8E	43-033-30045	State	3 Years 0 Months
2	Stacy Hollow 14-35	SESW Sec 35-T7N-R7E	43-033-30056	Fee	4 Years 0 Months
3	Suttons 4-12	NWNW Sec 12-T6N- R7E	43-033-30058	Fee	3 Years 11 Months
4	Crane 4-4	NWNW Sec 4-T6N-R8E	43-033-30049	Fee	4 Years 5 Months
5	Crane 12-4	NWSW Sec 4-T6N-R8E	43-033-30050	Fee	4 Years 0 Months
6	Crane 13-8	SWSW Sec 8-T6N-R8E	43-033-30052	Fee	4 Years 1 Month



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6176

Ms. Lorna James
Quaneco, LLC
PO Box 7370
Sheridan, WY 82801

LN TE 12

Re: Crane 4-4 API 43-033-30049, Crane 12-4 API 43-033-30050, Crane 13-8 API 43-033-30052,
Stacey Hollow 14-35 API 43-033-30056, Suttons 4-12 API 43-033-30058, Murphy Ridge 1-32
API 43-033-30045
Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on
Fee or State Leases

Dear Ms. James:

As of July 2008, Quaneco, LLC ("Quaneco") has five (5) Fee Lease Wells and one (1) State Mineral Lease Well (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("DOGM" or "Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In March 2005 the Division sent a first notice to Quaneco by certified mail stating five (5) Fee Lease wells and (1) State Mineral Lease Well (Attachment A) were in non-compliance with requirements for SI/TA status. A letter was sent to the Division from Quaneco dated August 4, 2005, requesting extension on the wells listed. The Divisions response was sent (dated September 12, 2005) approving request for extension on all wells listed in attachment A, valid until August 1, 2006. The Division feels more than sufficient time has passed since your company's extension was approved and we have not seen any resolutions. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated.



For extended SI/TA consideration the operator shall provide the Division with the following:

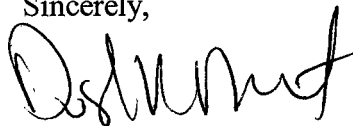
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and Copy of recent casing pressure test, and
2. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
3. Fluid level in the wellbore, and
4. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Operator Compliance File
Wells File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	Fee	7 Years 4 Months
2	CRANE 12-4	43-033-30050	Fee	6 Years 10 Months
3	CRANE 13-8	43-033-30052	Fee	7 Years 0 Months
4	STACEY HOLLOW14-35	43-033-30056	Fee	6 Years 10 Months
5	SUTTONS 4-12	43-033-30058	Fee	6 Years 9 Months
6	MURPHY RIDGE 1-32	43-033-30045	State	5 Years 11 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 11, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 2648

Ms. Lorna James
Quaneco, LLC
P O Box 7370
Sheridan, WY 82801

43 033 30058
Suttons 4-12
6N 7E 12

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Ms. James:

The Division of Oil, Gas and Mining (the Division) is in receipt of your e-mail dated February 12, 2008 in regards to the six (6) shut-in or temporarily abandoned (SI/TA) wells operated by Quaneco, LLC (Quaneco). It is the Divisions understanding that Quaneco has secured a new landowners agreement and new mineral lease with Deseret Land, and is currently pursuing Skull Valley lease that has expired. The division also understands that Quaneco plans to retest wells (Attachment A) this coming fall.

Based on the submitted integrity information and plan to retest the wells this fall, the Division grants extended SI/TA status for the wells listed on Attachment A valid until October 1, 2009 allowing adequate time to perform the proposed work. The Division wishes to state that the listed wells (Attachment A) have been SI/TA for over a period of five (5) years, therefore future extensions may require full cost bonding. Quaneco shall continue to monitor well integrity, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js

Enclosure

cc: Jim Davis, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITLA

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



ATTACHMENT A

T06N R07E S-12

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	FEE	7 years 4 months
2	CRANE 12-4	43-033-30050	FEE	6 years 10 months
3	CRANE 13-8	43-033-30052	FEE	7 years
4	STACEY HOLLOW 14-35	43-033-30056	FEE	6 years 10 months
5	SUTTONS 4-12	43-033-30058	FEE	6 years 9 months
6	MURPHY RIDGE 1-32	43-033-30045	STATE	5 years 11 months

>>> "Lorna James" <ljames@fiberpipe.net> 2/12/2009 2:28 PM >>>
Mr. Doucet,

I was contacted by someone in your office and was informed you would like to see a side-by-side comparison of our MIT testing done in 2005 and 2008. I have attached a spreadsheet for your convenience. I was also informed you wished to know our current status with our release program and our expected activities for the coming year. We currently have signed off on reobtaining mineral leases from Property Reserve Inc (Deseret Land) and are currently pursuing Skull Valley and Kavanaugh leases as those have expired as well. It has taken us a bit of time to track down the appropriate people to sign off on the leases given it is a 53,000 acre block. Kavanaugh should be under lease in early March and Skull Valley by this coming Spring. We anticipate partnering this Spring/Summer and intend to retest the wells this coming Fall once we are partnered up. If you have any further questions or concerns, please feel free to contact me at 307-673-1500 Monday thru Friday 6:30AM until 3:00 PM.

Sincerely
Lorna James
Sheridan Manager
Quaneco, LLC
ljames@fiberpipe.net

OT temp survey comparison		
WELL NAME	2005	2008
Stacy Hollow 14-35		
fluid level	436'	436'
psi csg	0	0
max temp	111.2	113.2
Suttons 4-12		
fluid level	1062'	1062'
psi tub/psi csg	50/70	25/70
max temp	95.6	97
Crane 13-8		
fluid level	286'	286'
psi csg	0	0
max temp	92.1	93.5
Crane 12-4		
fluid level	218'	218'
psi csg	0	0
max temp	65.2	66
Crane 4-4		
fluid level	surface	surface
psi csg	0	0
max temp	67.1	62.2
Murphy Ridge 1-32		
fluid level	640	640
psi tub/psi csg	16/18	16/18

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

☐ Well File _____
(Loc.) Sec _____ Twp _____ Rng _____
(API No.) _____

☐ Suspense
(Return Date) _____
(To-Initials) _____

☒ Other
Quaneas

1. Date of Phone Call: 2/18/09 Time: 12:40

2. DOGM Employee (name) L. Cordova (☒ Initiated Call)
Talked to: (Lease Mgt.)
Name James Sewell (☐ Initiated Call) - Phone No. (435) 793-4288
of (Company/Organization) Deseret Land & Livestock (Landowner)

3. Topic of Conversation: Quaneas has requested a 1 yr. extension for
shut-in wells located on DL&L lands.
Active landowner agreement & active mineral lease(s)?

4. Highlights of Conversation: _____

Mr. Sewell confirmed that Quaneas has secured a new
landowners agreement, and new mineral lease with
DL&L. In addition, they do not have any concerns
regarding the wells located on their lands (see list).

2/23/09 James Sewell copy of lease agreement forthcoming
DL&L/Farm Land Reserve Inc. "formerly Property Reserve Inc." eff. 12/4/08

(3yr. lease with option to extend an add'l term of 4 yrs) Quantum Energy LLC & Farmland
* Oct. 2005 Murphy Ridge 1-32 surface to DL&L - minerals "SITLA" Reserve Inc.

QUANECO

Committed to American Energy Independence

October 14, 2008

State of Utah
Department of Natural Resources
ATTN: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

RECEIVED

OCT 20 2008

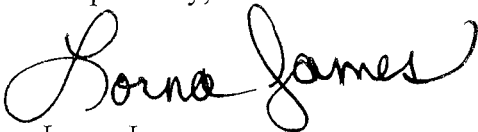
DIV. OF OIL, GAS & MINING

Dear Mr. Doucet,

Enclosed, please find copies of recent temperature surveys done on our well locations in Utah as well as a summary report on the findings. The test results show very little change, if any, in the well temperatures and/or pressures. Hopefully, this will satisfy the State with regards to the mechanical integrity of our wells. I have also enclosed a summary of our activities and future plans for this area. Earlier this year, some of our mineral leases expired and we have been actively pursuing renewal of those leases as well as renewing our Surface Use Agreements with the landowners as well. Our development plans are included in the enclosed summary and we respectfully request extended shut in time to allow us to finalize our release program and complete our fund raising in this area.

If further information is required in order to approve an extended shut in time, please feel free to let me know and we will do our best to provide you with any and all information you need to approve this request.

Respectfully,



Lorna James
Manager

Temperature Surveys of Utah Overthrust Wells
October 07/08 2008
by Superior Production Logging
Surface to PBTD

RECEIVED

OCT 20 2008

DIV. OF OIL, GAS & MINING

④ **Stacy Hollow 14-35**

10-08-08 Temp Log

Fluid Level @ 436' - 0 psi on csg

Max. Temp 113.2

Depth Logger @ 5188 / PBTD @ 5185 - Perfs: 4378-4950 - Cmt top @ 2850

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 5 1/2" 15.5# csg @ 6002 to Surface / *No tbg in hole

④ **Suttons 4-12**

10-07-08 Temp Log

Fluid Level @ 1062' - 25 PSI TBG / 70 PSI CSG

Max. Temp 97.

Depth Logger 3951 / PBTD @ 4012 - Perfs: 3403-3499

* Possible sand fill from sand frac - Cmt top @ 3150

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 4092 to surface / *2 7/8 tbg to 3374

④ **Crane 13-8**

10-07-08 Temp Log

Fluid Level @ 286' - 0 psi on csg

Max. Temp 93.5

Depth Logger 3383 / PBTD @ 3395 - Perfs: 3037 - 3369

Cmt top @ 2100

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 3764 to surface / *No tbg in hole

④ **Crane 12-4**

10-07-08 Temp Log

Fluid Level @ 218' - 0 psi on tbg and csg

Max. Temp 66.

Depth Logger 1641 / PBTD @ 1682

7" Fiberglass Csg 1611 to 1692 Under reamed 14" from 1637 to 1653

7" 23# Csg 1611 to surface Est. Cmt Top @ 1000

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to Under reamed Zone

Casing looks OK - * 2 7/8 tbg to 1633

Fill @ 1641 from possible sloughing coals

④ **Crane 4-4**

10-07-08 Temp Log

Fluid Level @ Surface - 0 psi on csg

Max. Temp 62.2

Depth Logger 1444'

*Well never Completed or Cleaned Out / Calc. Cmt Top @ 1050

7" 23# 1598 to surface / 7" FG 1598-1705 / TD @ 1820'

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to 1444

Casing looks OK - *No Tbg

④ **Murphy Ridge 1-32**

Fluid Shots

10-08-08 Csg 16 PSI / Tbg 18 PSI - 20 jts to Fluid / Approx. 640'

10-08-08 Csg 0 PSI / Tbg 0 PSI - 20 jts to Fluid / Approx. 640'

*Other 5 wells logged with temperature logs show no signs of casing being bad

TJB 10/14/08

State of Utah
Department of Natural Resources
ATTN: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

RECEIVED

OCT 20 2008

DIV. OF OIL, GAS & MINING

Utah Geological Summary

To Whom it May Concern:

Enclosed is a geological review of our activity in the Overthrust Play in Utah. This has been prepared to give further insight into past drilling operations and what our intentions going forward.

Initial Development (2000-2006)

The initial Quaneco/Nerd Energy drilling program was designed to evaluate the Adaville coal, Dry Hollow, and Spring Valley coals of the Frontier Formation, and coals in the Bear River Formation. A total of eight wells were drilled. Wells drilled included the Crane 4-4, Crane 12-4, Crane 6-7, Crane 13-8, Stacey Hollow 14-35, Murphy Ridge 1-32, Suttons 4-12 and Neponset 6-35. Coals and carbonaceous shale were encountered in all of the wells. Gas shows were observed in the Adaville coal, Spring Valley Member of the Frontier and Bear River coals. In addition to the coals, two separate reservoir quality sands were drilled in the Bear River Formation.

Adaville Coal (Crane 4-4 and 12-4)

The Adaville coal interval was evaluated in the Crane 4-4 and Crane 12-4 wells. The Adaville coal was cored in the Crane 12-4 well by Ticora, Inc. Desorption results indicated an average gas content in the Adaville coal of between 20-30 cuft/ton. Approximately 20 feet of Adaville coal was observed in each well. Pipe was run on both wells. The coal in the 12-4 was under reamed and slight gas shows were observed. A 400-barrel water enhancement was pumped in. During the enhancement, pressures and rates indicated low permeabilities. As with all the subsequent wells drilled it was discovered that bentonites were intermingled within the coals in these wells. Those bentonites swelled when in contact with drilling muds, and water from enhancements causing the information obtained from testing, to be skewed. Quaneco is still contemplating re-entering these wells incorporating lateral completions, or utilizing both wells for potential water injection.

Dry Hollow Coal

Coals in the Dry Hollow Member of the Frontier were encountered in the Neponset 6-35 well. Approximately 42 feet of Dry Hollow coal was drilled at depths of 1,972 feet to 3,188 feet. The well was in the Chalk Creek member of the Frontier Formation at TD. Mud log gas shows in the Dry Hollow coals were not observed during the drilling of the

well. Further hydro-fracturing of coal was conducted using various sizes of frac job but produced no gas and little water to determine this wells uneconomic viability. This well was plugged.

Spring Valley (Crane 6-7)

In 2004, on a farm-out from Quaneco, Fellows Energy drilled the Crane 6-7 in Rich County, Utah. The well reached a total depth of 4280 feet. The well cored coal and carbonaceous shale over a combined interval of 556 feet. Total coal thickness is approximately 60'. In 2005, we received the results from the gas desorption tests from the Spring Valley coal of the Frontier formation and the coal in the Bear River formation in the well. Results showed 253 cubic feet of gas per ton on an ash-free basis in the coal. Lesser amounts of gas were present in the carbonaceous shale in the well. This well was plugged by Fellows once all potential data was attained.

Bear River Coal

Bear River coals have been drilled in the Crane 13-8, Stacey Hollow 14-35, Murphy Ridge 1-32, and Suttons 4-12. A complete section of Bear River Formation was only drilled in the Crane 13-8 and Murphy Ridge 1-32 wells. There was 131 feet of Bear River coal with shows in the Crane 13-8. The Murphy Ridge 1-32 had 89 feet of Bear River coal with shows. Significant mud log gas shows have been observed in all Bear River coals and carbonaceous shales in the well. Multiplied by hundreds of feet of the latter formation, represents potentially an enormous amount of gas-in-place; however, economic completion of a thick low-grade reservoir is problematic. Volumetrically, the Bear River is the most interesting gas reservoir of all the formations. Water tested from the coals is poor and disposal of this water through disposal wells in the local area will be arranged.

Bear River Sands

In addition to the coal encountered in the Bear River Formation, two separate reservoir quality sands have been observed in the Stacey Hollow 14-35, Suttons 4-12, and Crane 13-8 wells. In the Stacey Hollow 14-35 well, approximately 70 feet of clean porous sand with 16 to 18% porosity was present at the top of the Bear River Formation and directly underlying the Aspen Shale. The sand was at a depth of 4,900 feet (datum +2061') and wet. The sand is also present at a depth of 3,888 feet (datum +2973') in the Suttons 4-12 well. In the Suttons well, the sand is also 70 feet thick, has 16-20% porosity, and wet. This sand is not present in the Crane 13-8 well, which has a datum of +4878 on the top of the Bear River Formation and approximately 1,905 feet high to the Suttons 4-12 well. The Crane 13-8 well had a 30 foot thick reservoir quality sand present at a depth of 3,390 feet (datum +3428'). This sand has 14-16% porosity and was wet. The sand is approximately 1,450 feet below the top of the Bear River Formation. This interval was not drilled in the Stacey Hollow or Suttons wells and appears to be tight in the Murphy Ridge well. There are potential drill sites between the Suttons 4-12 well and Crane 13-8 wells that might encounter the gas column in this sand. If this sand proves successful this could add significant reserves to our play

Summary of Bear River Coals by Well

Crane 13-8

The Crane 13-8 was drilled through the Bear River formation into the Kelvin formation to a TD of 3792', 7" casing was set and cemented to TD. Numerous coal seams were penetrated from 2900' through 3500'. Conservatively, 68' of lower cretaceous Bear River coal has been identified from mud logs and electric logs. While drilling the 13-8 well, significant gas shows were detected by the mud logger indicating potential high gas content in some of the coals penetrated. Perforations were selected by density indicated on the electric logs correlated with the mud log.

Perforations were performed, and the well went on pump at a rate of 300-400 barrels of water per day. Gas flow tests were performed. Though gas flow could not be sustained for an extended period of time, casing pressure increased. This well was shut-in after its 45-day testing permit expired. Quaneco's intention will be to perform a work over on the various coals, and shales in this well bore.

Stacey Hollow 14-35

The Stacey Hollow 14-35 was drilled into the Bear River Formation to a total depth of 6003' numerous Bear River thin to medium coal seams were encountered. Total coal thickness is estimated to 70', thicker coals were not penetrated due to rotating tool equipment limitations on the rig used for this well.

Quaneco would like to deepen this well by 1,000 feet in an attempt to encounter these thicker coals with the intention of performing an open-hole completion.

Murphy Ridge 13-8

Based on electric log analysis the Murphy Ridge 1-32 was drilled through the Bear River formation to a TD of 3442', encountering 89 feet of coal. The Bear River internal correlates with the Crane 13-8. Approximately 28 feet of net coal was encountered at 2800', and an additional 26 feet of net coal at 1800'. The 2800' was perforated, acid treated, and fractured in three stages. Within 24 hours the well was producing 18 MCFPD with tubing pressure at 70#. A 45 day pump test was incorporated where production and pressure rose further, but due to the swelling of the bentonites, water and gas production ceased after 30 days. Quaneco's initial focus, will be to perform a workover on the various coals, similar to that of the Crane wells.

Suttons 4-12

The Suttons 4-12 was drilled to 4110'. A total coal thickness measured 68' with 52' being in 3403-3499 the Frontier Formation. The Donovan "Carbide lag" Technique was performed on this well indicating between 58 cuft/ton-259 cuft/ton from 9 samples. This well was perforated at 4378'. This well had low permeability and did not recover frac fluid. Additionally, this well encountered a 70' porous sand (wet) at 3888'.

In summary, although these unconventional gas plays are complex, higher energy prices and new drilling and completion techniques have prompted Quaneco to take a renewed approach to its Utah acreage. With greater interest from our investors we plan to make the Overthrust a primary focus.

Paul J. Mysyk
CEO
Quaneco, L.L.C.

QUANE CO

Committed to American Energy Independence

RECEIVED

OCT 02 2008

DIV. OF OIL, GAS & MINING

September 30, 2008

State of Utah
Department of Natural Resources
ATT: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

Mr. Doucet,

We are in receipt of your letter dated September 2, 2008 which refers to MIT testing that needs done on our CBM wells in Utah. At this point, we are gathering cost estimates for MIT tests as well as obtaining estimates on P&A costs for a couple of the wells. We do not wish to delay this process and we will notify you once a final decision has been made concerning the wells. We have been in contact with Mr. James Sewell, ranch Manager of Deseret Land and Livestock in an effort to ensure that Deseret would not wish any of the wells for stock watering or to turn to water wells. Mr. Sewell has assured me that Deseret does not care to take possession of any of the wells for such purposes. We have obtained cost estimates pertaining to plugging a couple of the wells and we are currently waiting on estimates for the MIT testing. As soon as we receive the cost estimates, our management team will notify you of our proposed plans for our wells located in Utah. We anticipate receiving this information within the next week. If you have further questions, please do not hesitate to contact me.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna K. James
Manager

Tel: (307) 673-1500 Fax: (307) 673-1400

~~1015 E. Green Avenue, Suite 100, Sheridan, Wyoming 82801~~

P.O. Box 7370

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	Fee	7 Years 4 Months
2	CRANE 12-4	43-033-30050	Fee	6 Years 10 Months
3	CRANE 13-8	43-033-30052	Fee	7 Years 0 Months
4	STACEY HOLLOW14-35	43-033-30056	Fee	6 Years 10 Months
5	SUTTONS 4-12	43-033-30058	Fee	6 Years 9 Months
6	MURPHY RIDGE 1-32	43-033-30045	State	5 Years 11 Months

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Quaneco, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator requests a one year extension on SI/TA status. Operator intends to re-evaluate the well for possibilities of converting to an oil well in the future.

RECEIVED

DEC 15 2009

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 1.5.2010

Initials: KS

NAME (PLEASE PRINT) Lorna James	TITLE Manager
SIGNATURE <i>Lorna James</i>	DATE 12/1/2009

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 1/4/2010

By: *[Signature]*

(See Instructions on Reverse Side)

*Cannot approve request without a showing of integrity (12649-3-36-1.3)

QUANECO

Committed to American Energy Independence

Utah DNRC
ATTN: Mr. Dustin Doucet
PO Box 145801
Salt Lake City UT 84114-5801

December 3, 2009

RECEIVED

DEC 15 2009

DIV. OF OIL, GAS & MINING

Dustin:

Attached are the sundries to P & A, the Crane 4-4 and 12-4. Once I receive your ok I will contact Ann Garner at Farmland Reserve (Surface Owner) to set-up a time to P & A both wells with the intention that we'll reclaim and reseed the locations in the spring.

Additionally, attached are our SI/TA sundries for the 4 wellbores we would like to keep in place for one more year. Once approved, we will conduct temperature surveys to prove mechanical integrity and submit test result to the Commission.

In July of this year we finalized a Surface Use and Lease Agreement with Skull Valley Inc. Skull Valley was the third and final mineral owner on the leased acreage we were seeking. Farmland and Kavanagh's leases were signed at the end of 2008, and Farmland's Surface Use was signed at that time as well.

It has always been our intention to find an industry partner to help us develop this large acreage position.

In July with natural gas prices remaining weak we made a business decision through the advise of our professionals to focus our initial attention on the deeper oil plays.

After spending July studying regional oil development reports, we determined that most of the geological and engineering studies performed over the last 30 years on this area were done by Paul Lamerson, Monty Hoffman, and Larry Moyer. Quaneco went in pursuit of these individuals and contacted Mr. Hoffman and Mr. Moyer in late July. Upon completion of work both were finalizing for other companies, both were retained by us to direct us in putting together the best geological and engineering information available on the Overthrust area and assist us in marketing/developing this acreage. In the process, Paul Lamerson, a renowned geologist (whose work on the Overthrust is the basis that geologists use to reference this area), joined with Quaneco to assist further in compiling the geophysical and petrographical data needed for our partnering/development of this area. All three professionals, with great resumes, were previously employed with Chevron.

After recently assembling all of the geophysical and petrographical data, we have completed identifying the targeted geology within our acreage block and in the process, used the information to construct our marketing material to go to industry with. As determined by our professionals, we have multiple oil and gas targets with great reserve potential based on surrounding analog fields.

As a means of allowing this play to gain the most industry exposure for our marketing efforts, Quaneco has recently retained Petroleum Listing Service (PLS) out of Houston, to market our Utah/Wyoming Overthrust play. With over 60,000 oil and gas company contacts world wide, and over 2,000 deep pocket contacts in North America (that have the financial means of developing such a large acreage play), PLS offers us the best means to industry partners that are in search of oil and gas projects. Additionally, our professionals with their previous employment with large Rocky Mountain companies, offer us additional exposure to industry. Shell, Exxon, Chevron, and BP will also be pursued in our quest for a partner.

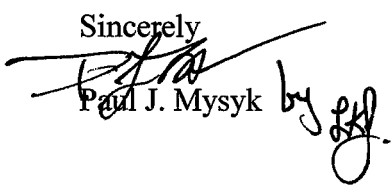
Quaneco's marketing intentions are to offer both the shallow and deep plays, with our initial emphasis on the deep play due to higher oil prices, potentially reserving the shallow play for a future partnering, when natural gas prices firm up. Though we would most likely prefer one company/partner on both.

In either case we feel that the 4 existing wellbores are viable to re-enter for a deeper "Nugget" Test (7,000), or utilized for further testing of the shallow reserves, with new engineering techniques being implemented.

Regardless of our success in partnering or the use of these wellbores, we will look to plug these remaining 4 wellbores a year from now if not successful.

I appreciate your understanding in this matter and if you have any further questions, please do not hesitate to contact me at 440-954-5022.

Sincerely


Paul J. Mysyk

RECEIVED

DEC 15 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Quaneco, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		9. API NUMBER: 4303330058
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 10/10/2010	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Surface Casing 9 5/8" @ 453' TOC @ Surface/ Production Casing 7" @ 4,092 TOC @ 3150 CBL/ Tubing: 2 7/8 N80 at 3,383' PBTD @ 4,012/ Perfs: 3,403'-3,499'
Prior to MIRU, blow the well down, and check deadman
MIRU, install 5,000# BOP
POH to check tubing
RIH to 3,303' with bit
POH
RIH with CIRC and set at 3,303'
Establish injection rate
Pump 40 sacks of cement under and 10 on top of the CIRC
Pressure test casing to 1000 psi, if good proceed, if not call for orders
Roll Hole with produced water and corrosion inhibitor
Perforate @ 503' squeeze 80 sacks
POH to 100', circulate cement to surface
ND wellhead & BOP, Cut off wellhead, Top off cement if necessary, with 1" in all annuluses,
Weld on Dry hole Marker with well information, RDMO, All cement is 15.8# class G Neat

COPY SENT TO OPERATOR

Date: 9.21.2010

Initials: KS

NAME (PLEASE PRINT) Lorna James TITLE Operations Manager
SIGNATURE *Lorna James* DATE 8/10/2010

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 9/14/2010 (See Instructions on Reverse Side)

BY: *[Signature]*

* See Conditions of Approval (Attached)

RECEIVED

AUG 16 2010

DIV. OF OIL, GAS & MINING



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Suttons 4-12
API Number: 43-033-30058
Operator: Quaneco Operating, Inc.
Reference Document: Original Sundry Notice dated August 10, 2010,
received by DOGM on August 16, 2010.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Add Plug #2a:** This plug shall be an inside/outside plug. RIH and perforate @ 1503'. Establish circulation down the 7" casing back up the 7" x 8 3/4" annulus. If injection into perfs cannot be established a 200' plug (± 38 sx) shall be balanced from $\pm 1503'$ to 1303'. If injection is established: RIH with CICR and set @ 1453'. M&P 40 sx cement, sting into CICR and pump 30 sx, sting out and dump 10 sx on top of CICR. This will isolate the Frontier Fm per rule R649-3-24-3.1.
3. **Amend Plug #3:** This plug shall be an inside/outside plug. RIH and perforate @ 100'. Establish circulation down the 7" casing back up the 7" x 9 5/8" annulus. If injection into the perfs cannot be established a 150' plug (± 30 sx) shall be balanced from $\pm 150'$ to surface. If injection is established: M&P 35 sx cement and balance a plug inside/outside from 100' to surface.
4. All balanced plugs shall be tagged to ensure that they are at the depth specified.
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. Surface reclamation shall be done in accordance with R649-3-34, Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

September 14, 2010
Date



API Well No: 43-033-30058-00-00

Permit No:

Well Name/No: SUTTONS 4-12

Company Name: QUANECO, LLC

Location: Sec: 12 T: 6N R: 7E Spot: NWNW

Coordinates: X: 490880 Y: 4568950

Field Name: WILDCAT

County Name: RICH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity ft ³ /cf
HOL1	453	12.25			
SURF	453	9.625	36	453	2.304
HOL2	4092	8.75			5.995
PROD	4092	7	23	4092	4.524
PLG1	3307	7			
T1	3383	2.875			

Cement from 453 ft. to surface

Surface: 9.625 in. @ 453 ft.

Hole: 12.25 in. @ 453 ft.

Plug 2
503' 50 SX 80 SX

50' / 4.201 (1.15) = 10.4 SX outside
 100' / 4.524 (1.15) = 20 SX inside
 50' / 5.995 (1.15) = 7.25 SX annulus

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PLG1	0			
PLG1	1			
PROD	4092	3180	UK	275
PROD	4092	3180	G	300
SURF	453	0	UK	100

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
3403	3499			

Plug #1

(4.524) 1.15 (10) = 52' 10 SX

(4.524) 1.15 (40) = 209' (40 SX)

Plug 1
10 SX above
40 SX below

Cement from 4092 ft. to 3180 ft.

Tubing: 2.875 in. @ 3383 ft.

Formation Information

Formation	Depth
FRTR	1453
ASPEN	3572
BRRVR	3888
KELVN	4100

Production: 7 in. @ 4092 ft.

Hole: 8.75 in. @ 4092 ft.

Hole: Unknown

4100'

TD: 4110 TVD: 4110 PBTD: 4012

OIL & GAS INFORMATION SYSTEM									
FILE EDIT OIL GAS GAS PLANT REPORTS DB MAINTENANCE OPTIONS HELP DATA CONVERSION GEO LOGS DATABASE QUERY									
Well Data									
WELL SEARCH			WELL DATA		WELL HISTORY		WELL ACTIVITY		
WELL NAME SUTTONS 4-12			API NUMBER 4303330058		WELL TYPE GW		WELL STATUS S		
OPERATOR QUANECO, LLC			ACCOUNT N2495 #		OPERATOR APPROVED BY BLM / BIA <input type="checkbox"/>				
DESIGNATED OPERATOR			ACCOUNT						
FIELD NAME WILDCAT			FIELD NUMBER 1		FIRST PRODUCTION		LA / PA DATE		
WELL LOCATION			CONFIDENTIAL FLAG <input type="checkbox"/>		LEASE NUMBER FEE				
SURF LOCATION 0748 FNL 0631 FWL			CONFIDENTIAL DATE 11 3 2002		MINERAL LEASE TYPE 4				
QQ. S. T. R. M. NNWW 12 06.0 N 07.0 E S			DIRECTIONAL / HORIZONTAL <input type="checkbox"/>		SURFACE OWNER TYPE 4				
COUNTY RICH			HORIZONTAL LATERALS <input type="checkbox"/>		INDIAN TRIBE				
UTM COORDINATES			COMMINGLED PRODUCTION <input type="checkbox"/>		C.A. NUMBER				
SURFACE - N 4568950.00 BHL - N			ORIGINAL FIELD TYPE W		UNIT NAME				
SURFACE - E 490880.00 BHL - E			WILDCAT TAX FLAG <input type="checkbox"/>		CUMULATIVE PRODUCTION: OIL GAS WATER				
LATITUDE 41.27384			CB-METHANE FLAG <input type="checkbox"/>						
LONGITUDE -111.10889			ELEVATION 6859 GR						
WELL FILES			WELL PHOTOS		PROD. GRAPH		BOND NUMBER / TYPE 04.002 5		
COMMENTS 010924 ENTITY ADDED:031031 FR N1395:									
<div>Create New Rec Save Cancel Change To History To Activity Print Recd Export Recd</div>									

start Novell-delivered Appli... Well Selection Criteria OIL & GAS INFORMA... 10:03 AM

Quaneco Suttons 4-12 Daily Activities

43-033-30058

S12, T6N, R7E, Rich County, Utah

RECEIVED

NOV 04 2010

DIV. OF OIL, GAS & MINING

11/01/2010

Western Wellsite personnel arrived in Evanston early PM and moved pulling unit and most of their other equipment needed for P&A operations to the location from Mountain States Oilfield Services yard. Rigged up pulling unit (Rig 6) and SDON.

Note: Notified Lisha Cordova and Dan Jarvis @ Utah State re commencement of P&A operations.

11/02/2010

Moved in remainder of equipment from Evanston. Removed tubinghead adapter and top master valve assembly. Installed BOP. POOH with 108 joints 2 7/8" tubing (3373.42' threads off). RBIH with bit to 3383' KB. POOH with tubing and bit. LD two joints tubing. Mountain States moved in and unloaded two loads fresh water. Dug out and removed bull plug from casinghead and installed ball valve. SDON.

Note: Communicated status of operations to Lisha Cordova and Dan Jarvis in AM from location. Lisha is scheduled to be on location @ 7AM tomorrow to witness running of first CICR.

11/03/2010

Lisha Cordova on location. Picked up CICR and ran same in on tubing to 3316'. Set retainer. Tested tubing to 500 psig. Could not pump in below retainer with 1000 psig surface pressure. Obtained approval from State and placed 20 sx cement on top of retainer. POOH LD tubing for eight joints. Circulated well with 123 bbls water containing corrosion inhibitor. Pressure tested casing to 1000 psig surface pressure. Held okay for 30 minutes. POOH LD tubing to 1501'. TOOH standing back remainder of tubing. Removed stinger. RU wireline truck. RIH w/perforating gun and shot 4 holes @ 1500'. Established injection rate of 2 BPM @ 400 psig down 7" and up 7" x 9 5/8" annulus. RIH w/perforating gun and shot 4 holes @ 503'. RD wireline. RBIH with CICR on tubing to 1442'. Set retainer. Pumped 30 sx cement below retainer and 10 sx cement on top. POOH LD tubing to 500'. Established circulation thru perfs @ 503'. Mixed and pumped 90 sx cement. Left 30 sx cement inside 7" casing. POOH LD 5 jts tubing. TOOH standing back remainder of tubing. Removed stinger. RU wireline. RIH w/perforating gun and shot four holes @ 100'. RD and release wireline unit. SWI & SDON and WOC.

11/04/2010

RIH with 6 stands tubing, one single, and 18' on next single. Tagged top of hard cement @ 424'. POOH LD tubing to 94'. Established circulation down 7" casing, thru perforations @ 100', and up 7" x 9 5/8" annulus to surface. LD remainder of tubing. Removed BOP. Installed tubinghead adapter and top master valve assembly. Mixed and pumped 34 sx cement down 7" casing thru perfs @ 100' and up 7" x 9 5/8" annulus. Cement circulated. Cement to surface from 100' inside and outside of 7" casing. RD pulling unit and all cementing equipment. Used jackhammer to remove old cement in bottom of cellar around lower

part of 9 5/8" casinghead. Dug out around 9 5/8" casing. Cut off 9 5/8" and 7" casing approx. one foot below base of casinghead, and removed casinghead and tubinghead assembly. Topped off with 10 sx cement. Welded dry hole marker cap with well information on top of casing. Loaded wellhead onto Vetco Gray truck from Evanston shop. Removed remainder of cellar ring, filled cellar, and back dragged location. All Western Wellsite equipment loaded and moved off location @ 4 PM.

Note: All work today witnessed and approved on location by Lisha Cordova-DNR.

From: Cecil Gritz <cecilgritz@hotmail.com>
To: <lishacordova@utah.gov>
Date: 11/4/2010 8:23 PM
Subject: RE: Quaneco Suttons 4-12
Attachments: Quaneco Suttons 4-12 Daily Activities.docx

FYI. Attached is a copy of my daily activities report prepared for and provided to the Operator. Thanks for coming to the well and for all of your help.

From: "Lorna James" <ljames@fiberpipe.net>
To: "Lisha Cordova" <lishacordova@utah.gov>, "Dustin Doucet" <dustindoucet@u...
Date: 11/3/2010 1:06 PM
Subject: Sutton 4-12 P&A daily report
Attachments: Suttons 4-12 P&A email.xls

Please see attached.

Thanks
Lorna James
Quaneco, LLC
307-673-1500 Phone
307-673-1400 Fax

**QUANECO, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: Suttons 4-12
DATE: 11/2/2010
CONTRACTOR: Western Wellsite

CASING DETAIL:

KB: 0
PBTD: 0
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$0.00

DAILY COST: \$1,000.00

CUM COST OF COMPLETION: \$1,000.00

AFE CUM COST: \$1,000.00

DAILY LOG:

Moved in remainder of equipment from Evanston. Removed tubinghead adapter and top master valve assembly. Installed BOP. POOH with 108 joints 2 7/8" tubing (3373.42' threads off). RBLH with bit to 3383' KB. POOH with tubing and bit. LD two joints tubing. Mountain States moved in and unloaded two loads fresh water. Dug out and removed bull plug from casinghead and installed ball valve. SDON.
Note: Communicated status of operations to Lisha Cordova and Dan Jarvis in AM from location. Lisha is scheduled to be on location @ 7AM tomorrow to witness running of first CICR.

DAILY COST:

SERVICE RIG

BOP

RENTAL SERVICE TOOLS (DOWNHOLE)

DOWNHOLE TOOLS (PURCHASE)

TUBULARS

STIMULATION SERVICE

SNUBBING SERVICE

N2 SERVICE

SLICK LINE

ELECTRIC LINE

PERFORATING

FLUIDS

SUPERVISION w/ EXPENSES

Harbor Petroleum

FLOW TEST

RENTAL EQUIPMENT (SURFACE)

TANKS

OTHER

DAILY COSTS

CUM COSTS

\$1,000.00

\$1,000.00

\$1,000.00

\$0.00

\$1,000.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

Pipe Tally						Joint Count	Joint Average	String Weight (in air)	Total Length	Total BHA and Tools	Total Length w/BHA
Well Name Sutters 4-12						54	62.47	15855.07	3373.42	0.00	3373.42
Date November 2, 2010						Prepared For Western Wellsite Services					
Tubing Size 2 3/8		Weight 4.7 #		Grade N-80		Tubing ID					
Number	Length	String weight	Total	Total w/ BHA	Joints Out	Number	Length	String weight	Total	Total w/ BHA	Joints Out
1	63.13	296.71	63.13	63.13	53	51	62.50	14977.11	3186.62	3186.62	3
2	62.52	590.56	125.65	125.65	52	52	62.55	15271.10	3249.17	3249.17	2
3	62.58	884.68	188.23	188.23	51	53	62.15	15563.20	3311.32	3311.32	1
4	63.00	1180.78	251.23	251.23	50	54	62.10	15855.07	3373.42	3373.42	0
5	61.76	1471.05	312.99	312.99	49	0		15855.07	3373.42	3373.42	0
6	61.10	1758.22	374.09	374.09	48	0		15855.07	3373.42	3373.42	0
7	63.00	2054.32	437.09	437.09	47	0		15855.07	3373.42	3373.42	0
8	62.65	2348.78	499.74	499.74	46	0		15855.07	3373.42	3373.42	0
9	63.00	2644.88	562.74	562.74	45	0		15855.07	3373.42	3373.42	0
10	63.00	2940.98	625.74	625.74	44	0		15855.07	3373.42	3373.42	0
11	62.10	3232.85	687.84	687.84	43	0		15855.07	3373.42	3373.42	0
12	63.00	3528.95	750.84	750.84	42	0		15855.07	3373.42	3373.42	0
13	62.15	3821.05	812.99	812.99	41	0		15855.07	3373.42	3373.42	0
14	62.58	4115.18	875.57	875.57	40	0		15855.07	3373.42	3373.42	0
15	62.50	4408.93	938.07	938.07	39	0		15855.07	3373.42	3373.42	0
16	63.10	4705.50	1001.17	1001.17	38	0		15855.07	3373.42	3373.42	0
17	61.08	4992.58	1062.25	1062.25	37	0		15855.07	3373.42	3373.42	0
18	63.05	5288.91	1125.30	1125.30	36	0		15855.07	3373.42	3373.42	0
19	62.40	5582.19	1187.70	1187.70	35	0		15855.07	3373.42	3373.42	0
20	62.36	5875.28	1250.06	1250.06	34	0		15855.07	3373.42	3373.42	0
21	62.67	6169.83	1312.73	1312.73	33	0		15855.07	3373.42	3373.42	0
22	62.55	6463.82	1375.28	1375.28	32	0		15855.07	3373.42	3373.42	0
23	62.45	6757.33	1437.73	1437.73	31	0		15855.07	3373.42	3373.42	0
24	63.00	7053.43	1500.73	1500.73	30	0		15855.07	3373.42	3373.42	0
25	62.58	7347.56	1563.31	1563.31	29	0		15855.07	3373.42	3373.42	0
26	61.05	7634.49	1624.36	1624.36	28	0		15855.07	3373.42	3373.42	0
27	62.43	7927.91	1686.79	1686.79	27	0		15855.07	3373.42	3373.42	0
28	62.60	8222.13	1749.39	1749.39	26	0		15855.07	3373.42	3373.42	0
29	62.43	8515.55	1811.82	1811.82	25	0		15855.07	3373.42	3373.42	0
30	60.08	8797.93	1871.90	1871.90	24	0		15855.07	3373.42	3373.42	0
31	63.10	9094.50	1935.00	1935.00	23	0		15855.07	3373.42	3373.42	0
32	62.30	9387.31	1997.30	1997.30	22	0		15855.07	3373.42	3373.42	0
33	63.08	9683.79	2060.38	2060.38	21	0		15855.07	3373.42	3373.42	0
34	62.53	9977.68	2122.91	2122.91	20	0		15855.07	3373.42	3373.42	0
35	62.45	10271.19	2185.36	2185.36	19	0		15855.07	3373.42	3373.42	0
36	62.53	10565.08	2247.89	2247.89	18	0		15855.07	3373.42	3373.42	0
37	62.00	10856.48	2309.89	2309.89	17	0		15855.07	3373.42	3373.42	0
38	62.50	11150.23	2372.39	2372.39	16	0		15855.07	3373.42	3373.42	0
39	62.50	11443.98	2434.89	2434.89	15	0		15855.07	3373.42	3373.42	0
40	63.00	11740.08	2497.89	2497.89	14	0		15855.07	3373.42	3373.42	0
41	62.62	12034.40	2560.51	2560.51	13	0		15855.07	3373.42	3373.42	0
42	63.05	12330.73	2623.56	2623.56	12	0		15855.07	3373.42	3373.42	0
43	61.85	12621.43	2685.41	2685.41	11	0		15855.07	3373.42	3373.42	0
44	62.60	12915.65	2748.01	2748.01	10	0		15855.07	3373.42	3373.42	0
45	62.95	13211.51	2810.96	2810.96	9	0		15855.07	3373.42	3373.42	0
46	63.10	13508.08	2874.06	2874.06	8	0		15855.07	3373.42	3373.42	0
47	63.00	13804.18	2937.06	2937.06	7	0		15855.07	3373.42	3373.42	0
48	60.90	14090.41	2997.96	2997.96	6	0		15855.07	3373.42	3373.42	0
49	63.06	14386.79	3061.02	3061.02	5	0		15855.07	3373.42	3373.42	0
50	63.10	14683.36	3124.12	3124.12	4	0		15855.07	3373.42	3373.42	0

RECEIVED

NOV 03 2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Plugged & Abandoned</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Quaneco, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 748' FNL 631' FWL		8. WELL NAME and NUMBER: Suttons 4-12
PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330058
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/4/2010	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

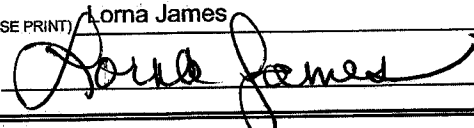
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

11/01/2010
Mobilized equipment to location and rigged up pulling unit.

11/02/2010
Removed adapter. Installed BOP. Pulled tubing. Ran bit on tbg to 3383' KB. Pulled tbg. Installed ball valve on casinghead.

11/03/2010
Set CICR on tbg @ 3316'. Tested tbg to 500 psig. Could not pump in below retainer. Placed 20 sacks cement on top of CICR. Circulated well with 123 bbls water containing corrosion inhibitor. Pressure tested casing to 1000 psig surface pressure for 30 min. Pulled tbg & stinger. Perforated casing w/ 4 holes @ 1500'. Established injection rate of 2 BPM @ 400 psig down 7" and up 7" x 9 5/8" annulus. Perforated casing w/ 4 holes @ 503'. Set CICR on tbg @ 1442'. Pumped 30 sx cement below retainer and 10 sx on top. Pulled tbg to 500' and established circulation thru perfs @ 503'. Pumped 90 sx cement. Left 30 sx inside casing. Pulled tbg & stinger. Perforated casing w/ 4 holes @ 100'. WOC overnight.

11/04/2010
Tagged hard cement w/ tbg @ 424'. Pulled tbg to 94'. Established circulation down 7" and up 7" x 9 5/8" annulus to surface. LD tbg. Removed BOP. Installed tubinghead adapter & top master valve. Pumped 34 sx cement down 7" thru perfs @ 100' and up 7" x 9 5/8" annulus. Cement circulated. Cut off casings below casinghead and removed wellhead. Topped off with 10 sx cmt. Welded dry hole marker cap with well information on top of casing. Job complete @ 4 PM.
Note: All work witnessed and approved on location by Lisha Cordova-DNR.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u></u>	DATE <u>11/29/2010</u>

(This space for State use only)

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DEC 07 2010

DIV. OF OIL, GAS & MINING

Quaneco Suttons 4-12 Daily Activities

11/01/2010

Western Wellsite personnel arrived in Evanston early PM and moved pulling unit and most of their other equipment needed for P&A operations to the location from Mountain States Oilfield Services yard. Rigged up pulling unit (Rig 6) and SDON.

Note: Notified Lisha Cordova and Dan Jarvis @ Utah State re commencement of P&A operations.

11/02/2010

Moved in remainder of equipment from Evanston. Removed tubinghead adapter and top master valve assembly. Installed BOP. POOH with 108 joints 2 7/8" tubing (3373.42' threads off). RBIH with bit to 3383' KB. POOH with tubing and bit. LD two joints tubing. Mountain States moved in and unloaded two loads fresh water. Dug out and removed bull plug from casinghead and installed ball valve. SDON.

Note: Communicated status of operations to Lisha Cordova and Dan Jarvis in AM from location. Lisha is scheduled to be on location @ 7AM tomorrow to witness running of first CICR.

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Lisha Cordova on location. Picked up CICR and ran same in on tubing to 3316'. Set retainer. Tested tubing to 500 psig. Could not pump in below retainer with 1000 psig surface pressure. Obtained approval from State and placed 20 sx cement on top of retainer. POOH LD tubing for eight joints. Circulated well with 123 bbls water containing corrosion inhibitor. Pressure tested casing to 1000 psig surface pressure. Held okay for 30 minutes. POOH LD tubing to 1501'. TOOH standing back remainder of tubing. Removed stinger. RU wireline truck. RIH w/perforating gun and shot 4 holes @ 1500'. Established injection rate of 2 BPM @ 400 psig down 7" and up 7" x 9 5/8" annulus. RIH w/perforating gun and shot 4 holes @ 503'. RD wireline. RBIH with CICR on tubing to 1442'. Set retainer. Pumped 30 sx cement below retainer and 10 sx cement on top. POOH LD tubing to 500'. Established circulation thru perfs @ 503'. Mixed and pumped 90 sx cement. Left 30 sx cement inside 7" casing. POOH LD 5 jts tubing. TOOH standing back remainder of tubing. Removed stinger. RU wireline. RIH w/perforating gun and shot four holes @ 100'. RD and release wireline unit. SWI & SDON and WOC.

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Gray truck from Evanston shop. Removed remainder of cellar ring, filled cellar, and back dragged location. All Western Wellsite equipment loaded and moved off location @ 4 PM.

Note: All work today witnessed and approved on location by Lisha Cordova-DNR.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CO AGREEMENT NAME:

8. WELL NAME and NUMBER:

Suttons 4-12

9. API NUMBER:

4303330058

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Quaneco, LLC

3. ADDRESS OF OPERATOR:

PO Box 7370

CITY Sheridan

STATE WY

ZIP 82801

PHONE NUMBER:

(307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 748' FNL 631' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 12 T6N R7E S

STATE:

UTAH

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>release from bond</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator requests approval of reclamation and removal of well from bond. Landowner release of liability attached

ER

NAME (PLEASE PRINT) Lorna James

TITLE Admin Assistant

SIGNATURE

Lorna James

DATE 1/12/2012

(This space for State use only)

RECEIVED

JAN 12 2012

DIV. OF OIL, GAS & MINING

DESERET LAND AND LIVESTOCK

PO Box 250, Woodruff, UT 84086, (435) 793-4288

Memo

Date: December 20, 2011

To: Paul Mysyk
Quaneco, LLC
From: Mike Meek
CC: Lisha Cordova
RE: Sutton 4-12 Reclamation

Paul,

As of December 20th, all of the reclamation work on the Sutton 4-12 location has been completed. Terry Pruitt has completed the necessary dirt work. Deseret Land and Livestock has completed re-seeding the location. We used a mix of grasses, forbs, and shrubs, that should blend in well with the native vegetation

As per our agreement, DL&L will assume any future responsibility for re-establishing vegetation on the site. Quaneco LLC has fulfilled their obligation to the landowner, in terms of returning the site to an acceptable condition. I will send a copy of this memo to Lisha Cordova, with the Utah Department of Oil, Gas, and Minerals.

Thanks,



Mike Meek
General Manager
Deseret Land and Livestock

RECEIVED

JAN 12 2012

UTAH DEPT. OF OIL, GAS & MINES